



**Williamsburgh**  
HOUSING ASSOCIATION  
• Limited •

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

**COMMITTEE OF MANAGEMENT, EXECUTIVES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**Committee of Management**

M Symons	Chairperson
M MacLaren	Renfrewshire Council representative
D James	Resigned 19.08.18
J Callaghan	
S James	
J Luby	Resigned 22.08.18
J Kerr	
C Lucas	
J Scott	
Y Robbie	
G Mihalache	Appointed 28.11.18
K Brady	Appointed 19.09.18, resigned 20.03.19
S Luke	Resigned 27.06.18
A Bunton	Appointed 17.07.19, resigned 02.08.19
A Ballantine	Appointed 17.07.19
L Zotova	Appointed 17.07.19
E McDermott	Appointed 17.07.19

**Executives**

G Williamson	Director/Secretary	Retired 01.08.19
J McBride	Finance Manager	
L Ferrie	Housing Manager	
O McMillan	Maintenance Manager	
J Livingstone	Development Manager	Retired 31.03.19
S Gordon	Administration Officer	Retired 19.04.19
G Scott	Development Manager	Appointed 06.03.19

**Registered Office**

Ralston House  
Cyril Street  
Paisley  
PA1 1RW

**Auditor**

Scott-Moncrieff  
25 Bothwell Street  
Glasgow  
G2 6NL

**Bankers**

The Royal Bank of Scotland plc  
Paisley Chief Office  
1 Moncrieff Street  
Paisley  
PA3 2AW

**Solicitor**

Cochran Dickie  
21 Moss Street  
Paisley  
PA1 1BX

# **WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

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### **Registration information**

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered number 1991RS
The Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered number HAL207
The Office of the Scottish Charity Regulator	Registered Scottish Charity No: SC035350

## **WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

### **REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2019**

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The Management Committee presents its report, which incorporates the Strategic Report, and the audited financial statements for the year ended 31 March 2019.

#### **Principal activities**

The principal activity of the Association is the provision of rented accommodation. The Association is a limited company incorporated in Scotland.

#### **Strategy, Vision and Objectives**

##### ***Vision***

W.H.A.'s aim is to provide high quality, affordable homes and maintain our commitment to continuous improvement, both in our service delivery and in the regeneration of our communities.

##### ***Continuous improvement***

Monitoring our performance, over the whole range of services provided, to ensure that, on an ongoing basis, we are delivering the highest quality of provision, re-investing in our housing stock and introducing measures to improve efficiencies and enhance customer satisfaction.

##### ***Growth***

Not simply working towards increasing the number and types of houses available, but promoting neighbourhood regeneration and revitalising our communities through maximising activity in innovative ways, which produce social, economic and environmental benefits.

#### **Objectives**

The overall objectives of the Association are to assist with the regeneration of the physical and social structure of those areas in which we operate and to ensure that local people are fully involved in the improvement and management of their homes.

The Management Committee has set eight overarching objectives for the coming year:

- Succession planning;
- Compliance with new SHR governance standards;
- Progression of our housing development projects;
- Tackling homelessness;
- Exit strategy for the RAGG (Renfrew Association of Growers & Gardeners) project;
- Community regeneration;
- Completion of a comprehensive tenant satisfaction survey; and
- Recruitment of new management committee members.

#### **Review of business**

The members of the Management Committee and the Association's Executive Officers are satisfied with the Association's performance during the year. The surplus for the year was £512,605 (2018 - £1,763,578). Net assets stand at £28,578,586 (2018 - £28,065,987).

The Association is recognised by HM Revenue & Customs as a charity, and qualifies for the tax exemptions provided by Part 11 of the Corporation Tax Act 2010.

Up until the end of the 31 March 2018 year end, the SHAPS defined benefit scheme was accounted for as a defined contribution scheme. From 1 April 2018, information became available in order to separate out the assets and liabilities between scheme members and thus SHAPS is accounted for as a defined benefit pension scheme from 1 April 2018 onwards. Further details regarding SHAPS can be found in note 25 of the financial statements. The risks associated with the pension scheme, and how these are managed, are included within principal risks and uncertainties detailed below.

#### **Current developments**

The Association is progressing one live development scheme at present at Milliken Road, Kilbarchan (18 units).



## **WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

### **REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2019**

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#### **Further developments**

Further "pipeline" developments are planned at Albert Drive, Renfrew (44 units), North Road, Johnstone (25 Units) and Cartha Crescent, Paisley (25 Units).

#### **Principal risks and uncertainties**

The Association has a risk management policy in place with the principal risks and controlling actions being reviewed by the Management Committee. The principal risks currently facing the Association are as follows:

- Progression with the 18 unit development at Milliken Park, Kilbarchan;
- Progression with a potential 44 unit development at Albert Road, Renfrew;
- Progression with a potential 25 unit development at Cartha Crescent, Paisley;
- Progression with a potential 25 unit development at North Road, Johnstone;
- The potential impact of BREXIT;
- Implementation of the requirements of the General Data Protection Arrangements (GDPR) and Freedom of Information (Fol) Act; and
- The impact of servicing the SHAPS defined benefit liability on the Association's cash flow.

Each risk has its own individual risk assessment which identifies the risk rating, risk owner, risk description, controlling actions and provides any changes since the most recent review along with the next review date. Committee review the main risk register and each risk assessment individually at Management Committee meetings.

The risk in respect of the SHAPS defined benefit liability is managed through stress testing and scenario planning within the Association's 30 year financial plans.

#### **Key performance indicators (KPI's)**

The Association submitted the 2018/19 Annual Return on the Scottish Social Housing Charter (ARC) to The Scottish Housing Regulator. The Regulator has identified 14 key performance indicators from the ARC to assess performance against the requirements of the charter. 2018/19 KPI's were reported as follows:

• Percentage of tenants satisfied with overall service	94.23%
• Percentage of tenants who feel their landlord is good at keeping them informed	99.68%
• Percentage of tenants satisfied with opportunities to participate in decision making	99.68%
• Percentage of stock meeting the Scottish Housing Quality Standard	100.00%
• Average length of time to complete emergency repairs	1.82 hours
• Average length of time to complete non-emergency repairs	3.85 days
• Percentage of reactive repairs carried out and completed 'right first time'	94.71%
• Percentage of repairs appointments kept	N/A
• Percentage of tenants who had repairs carried out, who were satisfied with the service	93.35%
• Number of cases of anti-social behaviour reported in the last year	241 cases
• Number of cases resolved within locally agreed target in the last year	228 cases
• Average length of time taken to re-let properties	18.41 days
• Percentage of rent lost through properties being empty in the last year	0.40%
• Rent collected from tenants as a percentage of total rent due in the reporting year	98.82%

#### **The Management Committee and executive officers**

The Management Committee and executive officers of the Association are listed on the first page of the financial statements. Each member of the Management Committee holds one fully paid share of £1 each in the Association. The executive officers of the Association 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 committee.

## **WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

### **REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2019**

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#### **Statement of committee's responsibilities**

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

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

The Management Committee is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Association. The Committee is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to the auditor**

To the knowledge and belief of each of the persons who are members of the Management Committee at the time the report is approved:

- So far as the Committee members are aware, there is no relevant information of which the Association's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Committee member in order to make himself/herself aware of any relevant audit information, and to establish that the Association's auditor is aware of the information.

#### **Corporate Governance**

The Association has complied throughout the accounting period with the Code of Best Practice published by the Cadbury Committee on the Financial Aspects of Corporate Governance in 1992.

#### **Charitable Donations**

During the year, the Association made charitable donations amounting to £1,449 (2018 - £400).

#### **Auditor**

The auditor, Scott-Moncrieff, at the forthcoming Annual General Meeting will offer themselves for re-appointment.

The Report of the Management Committee (incorporating the Strategic Report) has been approved by the Management Committee:

**By order of the Management Committee**

  
Margaret Symons  
**Committee member**

Date: 2 August 2019

## **WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAMSBURGH HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

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#### **Opinion**

We have audited the financial statements of Williamsburgh Housing Association Limited (the Association) for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Changes in Capital and Reserves, the Statement of Financial Position, the Statement 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 Association's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2014 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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 audit opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAMSBURGH HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

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#### **Group accounts: Section 99(3) of the Co-operative and Community Benefit Societies Act 2014**

We agree with the opinion of the Management Committee of the Association that it would be of no real value to the members of the Association to consolidate or include the financial statements of the Association's subsidiary in group financial statements required to be prepared under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 for the year ended 31 March 2019, because of the immaterial nature of the subsidiary's transactions in the year.

#### **Matters on which we are required to report by exception**

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

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

#### **Responsibilities of the Management Committee**

As explained more fully in the Statement of the Management Committee's Responsibilities set out on page 3, the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014 and report in accordance with the Act 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAMSBURGH HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

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**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, 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 Association and the Association's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Scott-Moncrieff, Statutory Auditor**

**Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006**

Chartered Accountants

25 Bothwell Street

Glasgow

G2 6NL

Date: 2 August 2019

## **WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

### **MANAGEMENT COMMITTEE'S STATEMENT OF INTERNAL FINANCIAL CONTROLS FOR THE YEAR ENDED 31 MARCH 2019**

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The Management Committee acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for 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 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 include ensuring that:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- Experienced and suitably qualified staff take responsibility for important business functions, and annual appraisal procedures have been established to maintain standards of performance;
- Forecasts and budgets are prepared regularly, which allow the Management Committee and staff to monitor the key business risks and progress towards financial plans set for the year and medium term;
- Regular management accounts are prepared timeously, providing relevant, reliable and up to date financial and other information and significant variances from budget are investigated where appropriate; and
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures.

The Management Committee reviews reports from the Director, staff and the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed.

Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Management Committee has confirmed the existence of the system of internal financial control in the Association for the year ended 31 March 2019.

By order of the Management Committee



Margaret Symons  
**Chairperson**

Date: 2 August 2019

**WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

**REPORT OF THE AUDITOR TO THE MANAGEMENT COMMITTEE OF  
WILLIAMSBURGH HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS**

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In addition to our audit of the Financial Statements, we have reviewed your statement on page 7 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

**Basis of Opinion**

We carried out our review having regard to the requirements 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 Control on page 7 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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 controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



**Scott-Moncrieff**  
**Chartered Accountants**  
Statutory Auditor  
25 Bothwell Street  
Glasgow  
G2 6NL

Date: 2 August 2019

**WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
<b>Turnover</b>	4	<b>8,172,162</b>	<b>8,097,450</b>
Operating expenditure	4	<b>(6,615,789)</b>	<b>(6,303,773)</b>
<b>Operating surplus</b>	4	<b>1,556,373</b>	<b>1,793,677</b>
Gain on disposal of property, plant and equipment	10	-	12,400
Investment income		241	250
Interest receivable and other income	11	28,615	9,157
Interest payable and similar charges	12	<b>(61,624)</b>	<b>(51,906)</b>
<b>Surplus for the year</b>		<b>1,523,605</b>	<b>1,763,578</b>
<b>Other comprehensive income</b>			
Initial recognition of multi-employer defined benefit scheme	25	<b>(576,000)</b>	-
Actuarial (loss) in respect of pension scheme	25	<b>(435,000)</b>	-
<b>Total comprehensive income for the year</b>		<b>512,605</b>	<b>1,763,578</b>

The results for the year relate wholly to continuing activities.

The notes on pages 13 to 35 form part of these financial statements.



**WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

**STATEMENT OF CHANGES IN CAPITAL AND RESERVES  
AS AT 31 MARCH 2019**

	Share Capital £	Revenue Reserves £	Total Capital & Reserves £
Balance at 1 April 2018	109	28,065,878	28,065,987
Total comprehensive income	-	512,605	512,605
Shares issued during the year	4	-	4
Shares cancelled during the year	(10)	-	(10)
Balance at 31 March 2019	<u>103</u>	<u>28,578,483</u>	<u>28,578,586</u>

**STATEMENT OF CHANGES IN CAPITAL AND RESERVES  
AS AT 31 MARCH 2018**

	Share Capital £	Revenue Reserves £	Total Capital & Reserves £
Balance at 1 April 2017 as restated	111	26,302,300	26,302,411
Total comprehensive income	-	1,763,578	1,763,578
Shares issued during the year	5	-	5
Shares cancelled during the year	(7)	-	(7)
Balance at 31 March 2018	<u>109</u>	<u>28,065,878</u>	<u>28,065,987</u>

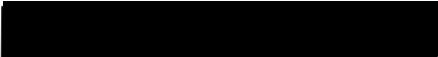
The notes on pages 13 to 35 form part of these financial statements.

**WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019**

	Notes	2019 £	2018 £
<b>Tangible fixed assets</b>			
Housing properties	13	69,158,636	71,117,953
Other fixed assets	15	356,604	342,299
Investments	16	2	2
		<u>69,515,242</u>	<u>71,460,254</u>
<b>Current assets</b>			
Debtors	17	270,410	218,386
Cash and cash equivalents	18a	204,552	229,488
Investments	18b	8,299,108	7,217,545
		<u>8,774,070</u>	<u>7,665,419</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>(3,044,537)</u>	<u>(3,231,665)</u>
<b>Net current assets</b>		<u>5,729,533</u>	<u>4,433,754</u>
<b>Total assets less current liabilities</b>		<u>75,244,775</u>	<u>75,894,008</u>
<b>Creditors: amounts falling due after more than one year</b>	20	<u>(44,764,189)</u>	<u>(47,828,021)</u>
Pension – defined benefit liability	25	<u>(1,902,000)</u>	-
<b>Net assets</b>		<u><u>28,578,586</u></u>	<u><u>28,065,987</u></u>
<b>Capital and reserves</b>			
Share capital	24	103	109
Revenue reserves		<u>28,578,483</u>	<u>28,065,878</u>
		<u><u>28,578,586</u></u>	<u><u>28,065,987</u></u>

The financial statements on pages 9 to 35 were authorised for issue by the Management Committee on 2 August 2019 and were signed on its behalf by:

  
Cllr Mags MacLaren  
Secretary

  
Margaret Symons  
Committee Member

  
Susan James  
Committee Member

The notes on pages 13 to 35 form part of these financial statements.

**WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	£	2019 £	£	2018 £
<b>Net cash generated from operating activities</b>	26		<b>2,539,289</b>		<b>2,579,441</b>
<b>Cash flow from investing activities</b>					
Purchase of property, plant & equipment		(927,489)		(1,549,357)	
Proceeds from sale of property, plant & equipment		-		12,400	
Grants received		116,983		-	
Interest received		28,615		9,157	
			<b>(781,891)</b>		<b>(1,527,800)</b>
<b>Cash flow from financing activities</b>					
Interest paid		(22,624)		(40,265)	
Repayment of borrowings		(678,151)		(639,703)	
Issue of share capital		4		5	
Deposit to current asset investment		(1,081,563)		(339,913)	
			<b>(1,782,334)</b>		<b>(1,019,876)</b>
<b>Net change in cash and cash equivalents</b>			<b>(24,936)</b>		<b>31,765</b>
Cash and cash equivalents at 1 April			<b>229,488</b>		<b>197,723</b>
<b>Cash and cash equivalents at 31 March</b>			<b>204,552</b>		<b>229,488</b>

The notes on pages 13 to 35 form part of these financial statements.

# **WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

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### **1. General information**

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 Housing Requirements 2014 as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2014. 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).

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

The Association is a Co-operative and Community Benefit Society limited by shares and is incorporated in the United Kingdom. The Association is a registered social landlord in Scotland and its registered number is HAL207. The registered address is Ralston House, Cyril Street, Paisley, PA1 1RW.

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

### **2. Principal Accounting Policies**

#### **(a) Basis of accounting**

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. The Association has taken advantage of the provisions made available through Financial Reporting Exposure Draft (FRED) 71, "Draft amendments to FRS 102 on Multi-employer defined benefit plans". These provisions will become effective as part of FRS 102 for accounting periods commencing on or after 1 January 2020, however the Association has chosen to early adopt these provisions for the current accounting period. Therefore for the year ended 31 March 2018, SHAPS was accounted for as a defined contribution scheme although the past service deficit liability was recognised as a liability. For the year ended 31 March 2019, SHAPS is accounted for as a defined benefit pension liability with the adjustment to reflect the movement between the past service deficit liability at 1 April 2018 and the SHAPS defined benefit liability at 1 April 2018 and the SHAPS defined benefit liability at 1 April 2018 being recognised within Other Comprehensive Income in the Statement of Comprehensive Income as outlined in FRED 71. Further details in respect of this inconsistent treatment can be found in Note 25 to these financial statements.

The effect of events relating to the year ended 31 March 2019, which occurred before the date of approval of the financial statements by the Management Committee 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 2019 and of the results for the year ended on that date. The Association has a subsidiary company, Williamsburch Property Services Limited, however, due to the immaterial nature of the subsidiary's transactions, consolidated financial statements have not been prepared.

#### **(b) Going concern**

The Association has shown a strong surplus year on year and the Committee believes that the Association will carry on this trend for the foreseeable future. In addition to this, the Association has a strong net current assets position. The Management Committee have therefore adopted the going concern basis in preparing the financial statements.

**2. Principal Accounting Policies (continued)**

**(c) Turnover**

Turnover represents rental and service charge income receivable and fees or revenue grants receivable from local authorities and from the Scottish Government. Income from rental and service charges is recognised when the Association is entitled to it, it is probable it will be received and it can be measured reliably.

**(d) Apportionment of management expenses**

Direct employee, administration and operating expenditure 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.

The costs of cyclical and major repairs are charged to the Statement of Comprehensive Income in the year in which they are incurred.

**(e) Interest receivable**

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

**(f) Interest payable**

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.

**(g) Tangible fixed assets - housing properties**

Housing properties are stated at historical cost less accumulated depreciation. The development cost of housing properties includes the following:

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

These costs are termed "qualifying costs" by the Scottish Government for approved Housing Association Grant.

Expenditure on schemes is written off in the year unless it is recognised that the schemes will be developed to completion.

Refurbishment expenditure on existing properties is capitalised to the extent that the expenditure represents improvements to the properties or replacement of components.

## WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 2. Principal Accounting Policies (continued)

##### (h) Depreciation

###### Housing land and buildings

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 following major components and useful lives have been identified by the Association:

###### Land - not depreciated

Structure	- over 50 years
Windows	- over 30 years
Bathrooms	- over 20 years
Pipework	- over 12 years
Kitchen	- over 15 years
Boilers	- over 12 years
Roofs	- over 40 years

###### Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation. Depreciation is charged by equal annual instalments at rates estimated to write off costs less any residual value over their expected useful lives. The following rates have been used:

Furniture & Fittings	- 15-20% per annum on cost
Vehicle	- 33% per annum on cost
Office premises	- 4-14% per annum on cost

##### (i) Development Administration Costs

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

##### (j) Investments

The fixed asset investment relates to the investment in the subsidiary company, Williamsburgh Property Services Limited, a company registered in Scotland.

##### (k) Debtors

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

##### (l) Rental arrears

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 17.

##### (m) 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.

## **WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

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#### **2. Principal Accounting Policies (continued)**

##### **(n) 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.

##### **(o) Loans**

Mortgage loans are advanced by financial institutions 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 for Government Capital Grant by the Scottish Government.

##### **(p) Government Capital Grants**

Government Capital Grants, at amounts approved by the Scottish Government or local authorities, are paid directly to the Association 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 Association to recognise income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

##### **(q) Government Revenue Grants**

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

##### **(r) 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 Association is entitled to them, it is probable they will be received and they can be measured reliably.

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.

**2. Principal Accounting Policies (continued)**

**(s) Financial instruments**

The Association 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. 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 rental arrear deferred beyond normal Association 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.

Financial assets are derecognised when contractual rights to the cash flows from the assets expire, or when the Association has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

**(t) Pensions (Note 25)**

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.

Up until 31 March 2018, it was not possible to identify the share of underlying assets and liabilities belonging to individual participating employers. Thus, up until the end of the 31 March 2018 year end, the Scheme was accounted for as a defined contribution scheme. However the Association entered into a past service deficit repayment agreement with TPT and per FRS 102, this discounted past service deficit liability was recognised in the Statement of Financial Position.

From 1 April 2018, information became available in order to separate out the assets and liabilities between scheme members and thus the SHAPS defined benefit pension liability is accounted for as a defined benefit pension scheme from 1 April 2018 onwards. In accordance with FRS 102 section 28, the operating and financing costs of pension and post retirement schemes (determined by TPT) are recognised separately in the Statement of Comprehensive Income.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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2. Principal Accounting Policies (continued)

(t) Pensions (Note 25) (continued)

Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The difference between actual and expected returns on assets during the year, including changes in the actuarial assumptions, is recognised in Other Comprehensive Income.

(u) Financial Commitments

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

(v) Sale of housing properties

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

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 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 expected asset life cycles.

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 defined benefit pension scheme.

This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate. Additionally, the impact of Guaranteed Minimum Pension (GMP) equalisation has been included in the SHAPS defined benefit liability.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

4. Particulars of Turnover, Operating Expenditure and Operating Surplus/(deficit)

	Notes	Turnover £	Operating Expenditure £	2019 Operating Surplus/ (Deficit) £	Turnover £	Operating Expenditure £	2018 Operating Surplus/ (Deficit) £
Social Lettings	5	8,015,857	6,172,639	1,843,218	7,906,539	5,941,196	1,965,343
Other activities	6	156,305	443,150	(286,845)	190,911	362,577	(171,666)
		<u>8,172,162</u>	<u>6,615,789</u>	<u>1,556,373</u>	<u>8,097,450</u>	<u>6,303,773</u>	<u>1,793,677</u>

There are no other accommodation types other than General Needs and Supported Housing.

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

	General Needs Housing £	Supported Housing £	2019 Total £	2018 Total £
<b>Income from rent and service charges</b>				
Rent receivable net of service charge	5,986,211	56,055	6,042,266	5,867,084
Service charges	161,219	2,739	163,958	151,729
	<u>6,147,430</u>	<u>58,794</u>	<u>6,206,224</u>	<u>6,018,813</u>
<b>Gross income from rents and service charges</b>				
Less voids	(33,391)	-	(33,391)	(29,919)
	<u>6,114,039</u>	<u>58,794</u>	<u>6,172,833</u>	<u>5,988,894</u>
<b>Net income from rents and service charges</b>				
Release of deferred Government capital grants	1,769,891	14,133	1,784,024	1,868,267
Grants from the Scottish Ministers	54,872	4,128	59,000	49,378
	<u>7,938,802</u>	<u>77,055</u>	<u>8,015,857</u>	<u>7,906,539</u>
<b>Total turnover from social letting activities</b>				
<b>Expenditure</b>				
Management and maintenance administration costs	(2,130,789)	(20,682)	(2,151,471)	(1,927,800)
Service charges	(153,228)	(2,739)	(155,967)	(134,888)
Planned and cyclical maintenance costs	(449,000)	(4,983)	(453,983)	(478,539)
Reactive maintenance costs	(664,297)	(5,977)	(670,274)	(656,630)
Bad debts – rent and service charges	(64,375)	(625)	(65,000)	(35,000)
Depreciation of social housing	(2,655,506)	(20,438)	(2,675,944)	(2,708,339)
	<u>(6,117,195)</u>	<u>(55,444)</u>	<u>(6,172,639)</u>	<u>(5,941,196)</u>
<b>Operating expenditure for social letting activities</b>				
<b>Operating Surplus on letting activities 2019</b>	<u>1,821,607</u>	<u>21,611</u>	<u>1,843,218</u>	
<b>Operating Surplus on letting activities 2018</b>	<u>1,946,235</u>	<u>19,108</u>		<u>1,965,343</u>

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

6. Particulars of turnover, operating expenditure and operating surplus/(deficit) from other activities

				2019	2018		2019	2018
	Grants from Scottish Ministers £	Other revenue grants £	Other income £	Total Turnover £	Total Turnover £	Other operating expenditure £	Operating surplus/ (deficit) £	Operating surplus/ (deficit) £
Wider role activities *	48,417	87,991	-	136,408	144,610	193,418	(57,010)	(55,239)
Care and repair of property	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	-	-	229,845	(229,845)	(116,584)
Support activities	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-
Agency/management services for RSLs	-	-	19,887	19,887	46,144	19,887	-	-
Other agency /management services	-	-	-	-	-	-	-	-
Developments for sale to RSLs	-	-	-	-	-	-	-	-
Development and improvements for sale to non RSLs	-	-	-	-	-	-	-	-
Other activities	-	-	10	10	157	-	10	157
<b>Total from other activities 2019</b>	<b>48,417</b>	<b>87,991</b>	<b>19,897</b>	<b>156,305</b>		<b>443,150</b>	<b>(286,845)</b>	
<b>Total from other activities 2018</b>	<b>7,803</b>	<b>136,807</b>	<b>46,301</b>		<b>190,911</b>	<b>362,577</b>		<b>(171,666)</b>

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

# WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 7. Directors' Emoluments

The directors are defined as the members of the Committee of Management, the Director and any other person reporting directly to the Director or the Committee of Management whose total emoluments exceed £60,000 per year. No emoluments were paid to any member of the Committee of Management during the year (2018 – none). The Association considers key management personnel to be the Committee of Management and senior management team (Executives) of the Association only.

	2019 £	2018 £
Emoluments of the Director (excluding pension contributions)	81,692	79,181
Total expenses reimbursed insofar as not chargeable to UK income tax	896	909

The Director is an ordinary member of the Association's pension scheme described in note 25. No enhanced or special terms apply to membership and they have no other pension arrangements to which the Association contributes. The Association's contributions for the Director were £9,479 (2018 - £9,234).

The emoluments of key management (excluding pension contributions and including benefits in kind) for the year were £334,061 (2018 - £350,731). Their employers' NI contributions for the year were £38,478 (2018 - £41,126) and their pension contributions for the year were £41,277 (2018 - £43,449).

The emoluments of key management whose total emoluments exceed £60,000 (excluding pension contributions and including benefits in kind) for the year were £264,419 (2018 - £79,181). Their employers' NI contributions for the year were £31,098 (2018 - £9,067) and their pension contributions for the year were £32,502 (2018 - £9,234).

The number of key management whose emoluments exceed £60,000 in the year are as follows:

	2019 Number	2018 Number
£60,000 - £69,999	3	-
£70,000 - £79,999	-	-
£80,000 - £89,999	-	1
£90,000 - £99,999	1	-

### 8. Employee Information

	2019 Number	2018 Number
The average number of full-time equivalent employees during the year was:	37.7	33.4
Staff costs during year:	£	£
Wages and salaries	1,404,802	1,295,535
Social security costs	134,676	140,343
Pension costs	149,080	141,683
Pension costs – Past service scheme expenses	-	7,748
Pension costs – Past service deficit measurement	-	(8,961)
Defined benefit pension liability – staff service costs (note 25)	107,414	-
Accrued holiday pay	42,363	27,147
Agency costs	25,586	24,338
	1,863,921	1,627,833

The SHAPS liability is subject to remeasurement each financial year.

**WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**8. Employee Information (continued)**

During the year past service deficit contributions of £258,162 (2018 - £250,868) were paid. Of this payment £250,414 (2018 - £243,120) was a payment in respect of the SHAPs past service deficit liability. The remainder of £7,748 (2018 - £7,748) was pension management costs which have been included in the pension contributions total included in staff costs above.

<b>9. Operating surplus</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Operating surplus is stated after charging:		
Depreciation on tangible fixed assets	2,738,452	2,708,339
Auditor's remuneration – audit fees	11,202	10,500
Auditor's remuneration – non-audit fees	360	360
	<u>2,749,614</u>	<u>2,719,200</u>
<b>10. Gain on disposal of property, plant and equipment</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Vehicle disposal	-	12,400
	<u>-</u>	<u>12,400</u>
<b>11. Interest receivable and other income</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	28,615	9,157
	<u>28,615</u>	<u>9,157</u>
<b>12. Interest payable and similar charges</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	22,624	40,265
Defined benefit pension liability – interest charge (Note 25)	39,000	11,641
	<u>61,624</u>	<u>51,906</u>

**WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

<b>13. Tangible Fixed Assets - Housing properties</b>	<b>Housing Properties Held for Letting £</b>	<b>Housing Properties under Construction £</b>	<b>Total £</b>
<b>Cost</b>			
As at 1 April 2018	112,948,441	343,535	113,291,976
Additions during year:			
Property	-	93,696	93,696
Components	756,980	-	756,980
Disposals during year:			
Property	-	(134,049)	(134,049)
Components	(413,626)	-	(413,626)
As at 31 March 2019	113,291,795	303,182	113,594,977
<b>Depreciation</b>			
As at 1 April 2018	42,174,023	-	42,174,023
Charge for the year	2,641,144	-	2,641,144
Disposals during year:			
- Property	-	-	-
- Components	(378,826)	-	(378,826)
As at 31 March 2019	44,436,341	-	44,436,341
<b>Net Book Value</b>			
As at 31 March 2019	68,855,454	303,182	69,158,636
As at 31 March 2018	70,774,418	343,535	71,117,953

Additions to Housing Properties during the year includes no capitalised interest (2018 - £nil) and £13,835 capitalised administration costs (2018 - £nil). All housing properties are freehold. Properties with a cost of £nil (2018 - £nil) and accumulated depreciation of £nil (2018 - £nil) were disposed of in the year for net proceeds (after grant repaid of £nil) of £nil (2018 - £nil).

Components with a cost of £413,626 (2018 - £1,020,265) and accumulated depreciation of £378,826 (2018 - £964,464) were disposed of in the year.

**14. Housing Stock**

The number of housing units in management as at 31 March 2019 was:

	<b>2019 Number</b>	<b>2018 Number</b>
General Needs Housing	1,608	1,608
Supported Housing	13	13
<b>Total Units</b>	<b>1,621</b>	<b>1,621</b>

**WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**15. Tangible Fixed Assets - Other fixed assets**

	Office Premises £	Office Vehicle £	Furniture & Fittings £	Total £
<b>Cost</b>				
At 1 April 2018	372,032	25,454	529,337	926,823
Additions during year	-	15,244	61,569	76,813
Disposals	-	-	(45,944)	(45,944)
At 31 March 2019	372,032	40,698	544,962	957,692
<b>Depreciation</b>				
At 1 April 2018	364,646	-	219,878	584,524
Charge for year	4,028	11,533	46,947	62,508
On disposals	-	-	(45,944)	(45,944)
At 31 March 2019	368,674	11,533	220,881	601,088
<b>Net Book Value</b>				
At 31 March 2019	3,358	29,165	324,081	356,604
At 31 March 2018	7,386	25,454	309,459	342,299

**16. Investments**

	2019 £	2018 £
Investment in subsidiary undertaking	2	2

During 2005/06 Williamsburgh Housing Association Limited acquired 2 ordinary £1 shares in Williamsburgh Property Services Limited. This represents a 100% shareholding in Williamsburgh Property Services Limited, a company registered in Scotland, whose principal activity is that of provision of factoring property services to owners. The registered address is Ralston House, Cyril Street, Paisley, PA1 1RW.

Williamsburgh Property Services Limited commenced trading on 1 April 2006. As at 31 March 2019 the capital and reserves and results for the year of Williamsburgh Property Services Limited were:

	2019 £	2018 £
Capital and reserves	2	243
Profit for the year	-	241

**WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

<b>17. Debtors</b>	<b>2019 £</b>	<b>2018 £</b>
Arrears of rent and service charges	268,469	240,414
Less: provision for doubtful debts	(169,440)	(166,241)
	<u>99,029</u>	<u>74,173</u>
Other debtors	6,322	5,287
Amounts due from subsidiary	38,780	37,435
Prepayments and accrued income	126,279	101,491
	<u>270,410</u>	<u>218,386</u>
<b>18a. Cash and cash equivalents</b>	<b>2019 £</b>	<b>2018 £</b>
Current accounts	204,426	229,441
Cash in hand	126	47
	<u>204,552</u>	<u>229,488</u>
<b>18b. Investments</b>	<b>2019 £</b>	<b>2018 £</b>
Balances held in deposit accounts	<u>8,299,108</u>	<u>7,217,545</u>
<b>19. Creditors – Amounts falling due within one year</b>	<b>2019 £</b>	<b>2018 £</b>
Housing loans	263,516	263,516
Other taxes and social security costs	36,778	36,642
Owed to contractors	433,696	292,452
Rents and service charges in advance	331,873	330,183
Trade creditors	100,694	141,191
Sundry creditors and accruals	129,877	143,218
Deferred Government capital grants	1,748,103	1,776,072
SHAPS deficit repayment plan	-	248,391
	<u>3,044,537</u>	<u>3,231,665</u>

Pension contributions of £49,759 were outstanding at the year-end (2018 - £45,264).



**WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

<b>20. Creditors – Amounts falling due after one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Housing loans	<b>614,167</b>	1,292,318
Deferred Government capital grants	<b>44,150,022</b>	45,789,094
SHAPS deficit repayment plan	-	746,609
	<b><u>44,764,189</u></b>	<b><u>47,828,021</u></b>

**21. Loans**

Loans or mortgages secured by charges on the Association's housing properties:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Loans advanced by private lenders	<b><u>877,683</u></b>	<b><u>1,555,834</u></b>
Due within one year	<b>263,516</b>	263,516
Due between one and two years	<b>263,516</b>	263,516
Due between two and five years	<b>184,700</b>	790,547
Due after five years	<b>165,951</b>	238,255
	<b><u>877,683</u></b>	<b><u>1,555,834</u></b>
Less: included in current liabilities above (note 19)	<b>(263,516)</b>	(263,516)
	<b><u>614,167</u></b>	<b><u>1,292,318</u></b>

Bank loans are outstanding mortgages on housing properties where the rental income is sufficient to secure a loan and are repayable over twenty five years.

The loans are repayable by monthly instalments of principal and have either fixed or variable rates of interest. All loans are secured by standard securities over the title of the properties to which they relate. The carrying value of the secured property is £14,625,478 (2018 - £14,920,133).

**WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

<b>22. Deferred capital grants</b>	<b>2019 £</b>	<b>2018 £</b>
Deferred capital grants at 1 April	<b>47,565,166</b>	49,433,433
Grants received in year	<b>116,983</b>	-
Released to income in year	<b>(1,784,024)</b>	(1,868,267)
Deferred capital grants at 31 March	<b>45,898,125</b>	47,565,166

	<b>2019 £</b>	<b>2018 £</b>
<b>Split:</b>		
Due within one year	<b>1,748,103</b>	1,776,072
Due between one and two years	<b>1,695,960</b>	1,739,536
Due between two and five years	<b>4,923,433</b>	5,036,503
Due after five years	<b>37,530,629</b>	39,013,055
	<b>45,898,125</b>	47,565,166

<b>23. Financial instruments</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Financial Assets</b>		
Cash and cash equivalents	<b>204,552</b>	229,488
Investments – deposit accounts	<b>8,299,108</b>	7,217,545
Financial assets measured at amortised cost	<b>205,122</b>	159,362
	<b>8,708,782</b>	7,606,395
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	<b>1,541,950</b>	3,127,695

Financial assets measured at amortised cost comprised rental arrears, other debtors, amounts due from subsidiary and accrued income.

Financial liabilities measured at amortised cost comprised housing loans, amounts owed to contractors, trade creditors, sundry creditors and accruals and the SHAPS deficit repayment plan.

No financial assets or liabilities are held at fair value.

<b>24. Share capital</b>	<b>2019 £</b>	<b>2018 £</b>
Shares of £1 each fully paid and issued as at 1 April 2018	<b>109</b>	111
Shares issued in year	<b>4</b>	5
Shares cancelled in year	<b>(10)</b>	(7)
As at 31 March 2019	<b>103</b>	109

All shares are non-withdrawable and do not carry any right to interest or dividend.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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**25. Retirement Benefit Obligations**

Williamsburgh Housing Association Limited (the Association) participates in the Scottish Housing Associations' Pension Scheme (the "Scheme").

The Scheme is a multi-employer defined benefit scheme which provides benefits to some 150 non-associated employers. The Scheme is funded. 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 Scheme offers six benefit structures to employers, namely:

- Final salary with a 1/60th accrual rate;
- Career average revalued earnings with a 1/60th accrual rate;
- Career average revalued earnings with a 1/70th accrual rate;
- Career average revalued earnings with a 1/80th accrual rate;
- Career average revalued earnings with a 1/120th accrual rate contracted in; and
- 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.

Williamsburgh Housing Association Limited has elected to continue to operate the final salary with a 1/60th accrual rate for existing members. Additionally, the Association has elected to introduce the DC option to staff from 1 July 2018. The Association will pay contributions at the rate of 10.45% of pensionable salaries and member contributions will be a minimum of 5%.

During the accounting period the Association paid DB contributions at the rate of 12.6% of pensionable salaries. Member contributions were 12.5%.

The Trustees commission 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.

As at the Statement of Financial Position date there were 31 (2018 - 31) active members of the DB Scheme employed by the Association.

As at the Statement of Financial Position date there were 2 (2018 - Nil) active members of the DC Scheme employed by the Association. This was opened to staff in July 2018 and staff members are automatically auto enrolled into this.

***Year ended 31 March 2018***

Up until 31 March 2018, it was not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Thus, up until the end of the 31 March 2018 year end, the Scheme was accounted for as a defined contribution scheme. However the Association entered into a past service deficit repayment agreement with TPT and per FRS 102, this discounted past service deficit liability was recognised in the Statement of Financial Position.

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.

# WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 25. Retirement Benefit Obligations (continued)

The key valuation assumptions used to determine the assets and liabilities of the Scheme as at 30 September 2015 are detailed below:

- Investment return pre retirement		5.30% per annum
- Investment return post retirement	- Non-pensioners	3.40% per annum
- Investment return post retirement	- Pensioners	3.40% per annum
- Rate of salary increases		4.10% per annum
- Rate of pension increases	- pension accrued pre 6 April 2005	2.00% per annum
	- pension accrued from 6 April 2005	1.70% per annum
	- (for leavers before 1 October 1993 pension increases are 5% )	
- Rate of price inflation		2.60% per annum

The contributions paid in respect of the defined contribution scheme is 4% employee contributions and 8% employer contributions.

### 30 September 2017 funding update

The Employer Committee received the 30 September 2017 Actuarial Report, the annual funding update which shows the Scheme's ongoing funding position in between each three-yearly valuation.

A summary is shown below:

30 September	Assets	Liabilities	Deficit	Funding
2015	£616m	£814m	£198m	76%
2016	£810m	£1,020m	£210m	79%
2017	£852m	£981m	£129m	87%

The Trustee's view is that the recovery plan remains appropriate and there is no need to take any action ahead of the next actuarial valuation, which was due as at 30 September 2018. The information regarding this 30 September 2018 valuation, including the annual funding update, is not yet available from TPT.

### Past service deficit repayment liability

	2018 £
Provision at start of period	1,235,440
Unwinding of the discount factor (interest expense)	11,641
Deficit contribution paid	(243,120)
Re-measurements – impact of any changes in assumptions	(8,961)
Provision at end of period	995,000
	2018 £
Liability split as:	
< 1 year	248,391
1- 2 years	252,037
2-5 years	494,572
> 5 years	-
	995,000

**WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**25. Retirement Benefit Obligations (continued)**

<b>Statement of Comprehensive Income Impact</b>	<b>2018</b> <b>£</b>
Interest expense	11,641
Re-measurements – impact of any change in assumptions	(8,961)
Assumptions	<b>2017</b>
Rate of discount	<b>1.51%</b>

The discount rates shown above are the equivalent single discount rates, which when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate band yield curve to discount the same recovery plan contributions.

***Year ended 31 March 2019***

**Accounting treatment from 1 April 2018**

From 1 April 2018, information became available in order to separate out the assets and liabilities between scheme members and thus the SHAPS defined benefit pension liability is accounted for as a defined benefit pension scheme from 1 April 2018 onwards. In accordance with FRS 102 section 28, the operating and financing costs of pension and post retirement schemes (determined by TPT) are recognised separately in the Statement of Comprehensive Income. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The difference between actual and expected returns on assets during the year, including changes in the actuarial assumptions, is recognised in Other Comprehensive Income.

At 31 March 2018, in respect of the SHAPS deficit repayment plan, amounts included within creditors due less than one year were £248,391 and amounts included within creditors due greater than one year were £746,609. At 1 April 2018, on initial recognition of the multi-employer defined benefit scheme, the opening adjustment to the liability was £576,000 to recognise a liability of £1,571,000 as at 1 April 2018.

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

	<b>31 March 2019</b> <b>£'000</b>
Fair value of plan assets	9,954
Present value of defined benefit obligation	(11,856)
<b>Defined benefit liability to be recognised</b>	<b>(1,902)</b>

**WILLIAMSBURGH HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**25. Retirement Benefit Obligations (continued)**

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

	Year ended 31 March 2019 £'000
Defined benefit obligation at start of period	(10,648)
Current service cost	(252)
Expenses	(8)
Interest expense	(279)
Contributions by plan participants	(142)
Actuarial (losses)/gains due to scheme experience	180
Actuarial (losses)/gains due to changes in demographic assumptions	(30)
Actuarial (losses)/gains due to changes in financial assumptions	(802)
Benefits paid and expenses	125
<b>Defined benefit liability at the end of the period</b>	<b>(11,856)</b>

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

	Year ended 31 March 2019 £'000
Fair value of plan assets at start of the period	9,077
Interest income	240
Experience on plan assets (excluding amounts included in interest income) - gain	217
Contributions by the employer	403
Contributions by plan participants	142
Benefits paid and expenses	(125)
<b>Fair value of plan assets at end of period</b>	<b>9,954</b>

**Defined benefit costs recognised in the Statement of Comprehensive Income**

	Period from 31 March 2018 to 31 March 2019 £'000
Current service cost	252
Admin expenses	8
Net interest expense	39
<b>Defined benefit costs recognised in Statement of Comprehensive Income</b>	<b>299</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

## 25. Retirement Benefit Obligations (continued)

## Defined benefit costs recognised in Other Comprehensive Income

	Period ended 31 March 2019 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain	217
Experience gains and losses arising on the plan liabilities – gain	180
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – (loss)	(30)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – (loss)	(802)
<b>Total amount recognised in other comprehensive income – (loss)</b>	<b>(435)</b>

## Fund allocation for employer's calculated share of assets

	31 March 2019 £'000
Global Equity	1,601
Absolute Return	843
Distressed Opportunities	170
Credit Relative Value	173
Alternative Risk Premia	556
Fund of Hedge Funds	28
Emerging Markets Debt	319
Risk Sharing	289
Insurance-Linked Securities	258
Property	198
Infrastructure	417
Private Debt	128
Corporate Bond Fund	698
Long Lease Property	121
Secured Income	347
Over 15 Year Gilts	256
Liability Driven Investment	3,542
Net Current Assets	10
<b>Total Assets</b>	<b>9,954</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

## 25. Retirement Benefit Obligations (continued)

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

Assumptions as at	31 March 2019 % per annum
Discount rate	2.33
Inflation (RPI)	3.28
Inflation (CPI)	2.28
Salary growth	3.28
Allowance for commutation of pension for cash at retirement	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

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	12	511	53
Females	19	627	46
<b>Total</b>	<b>31</b>	<b>1,138</b>	<b>48</b>

## Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	4	3	52
Females	2	1	59
<b>Total</b>	<b>6</b>	<b>4</b>	<b>54</b>

## Pensioners

	Number	Pensions (£'000s p.a.)	Average age (unweighted)
Males	5	34	71
Females	5	38	63
<b>Total</b>	<b>10</b>	<b>72</b>	<b>67</b>



**25. Retirement Benefit Obligations (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 2017. As of this date the estimated employer debt for the Association was £8,676,077. The employer debt on withdrawal based on the valuation as at 30 September 2018 is not yet available from TPT.

**GMP Equalisation**

Guaranteed Minimum Pension (GMP) is the minimum pension which an occupational pension scheme in the UK has to provide for those employees who were contracted out of the State Earnings-Related Pension Scheme (SERPS). Both pension scheme members and sponsoring employers paid lower National Insurance contributions at the time of accrual given the lower benefits being accrued for the member by the state. Women can currently receive their GMP benefits at age 60 compared to age 65 for men. GMP also accrued at a faster rate for women than men.

Historically some defined benefit schemes had different retirement ages for men and women. Therefore schemes are required to "equalise" pension ages and overall benefit scales between males and females. The Scheme actuary is therefore required to estimate the impact of GMP and include an allowance for the increase in calculated liabilities.

The impact of GMP equalisation for Williamsburgh Housing Association is 0.05% of liabilities, which is expected to be approximately £6,000. This is included within the closing defined benefit liability as detailed above.

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	2019 £	2018 £
<b>26. Net Cash Flow from Operating Activities</b>		
Surplus for the year	1,523,605	1,763,578
<u>Adjustment for non-cash items:</u>		
Carrying amount of tangible fixed asset disposed	134,049	-
Depreciation of tangible fixed assets including loss on disposal of components	2,738,452	2,755,333
Increase in trade and other debtors	(52,024)	(12,535)
Increase in trade and other creditors	89,232	163,071
Interest charge in respect of the defined benefit pension liability	39,000	11,641
Staff service costs in respect of the defined benefit pension liability	107,414	(8,961)
<u>Adjustments for investing and financing activities:</u>		
Net proceeds from sale of tangible fixed assets	-	(12,400)
Interest payable	22,624	40,265
Interest received	(28,615)	(9,157)
Release of deferred Government capital grants	(1,784,024)	(1,868,267)
SHAPS past service deficit payment	(250,414)	(243,120)
Shares cancelled	(10)	(7)
Net cash inflow from operating activities	<u>2,539,289</u>	<u>2,579,441</u>

**27. Related Party Transactions**

There are four tenant members and five non-tenant members of the Management Committee. Of the five Committee members who are non-tenants, one is a representative of Renfrewshire Council, one stays within the Association's normal areas of operation and three stay out with Association's normal areas of operation but are interested in the work of the Association. All transactions with members of the Management Committee are carried out at arm's length. Williamsburgh Housing Association Limited provided agency services to Williamsburgh Property Services Limited during 2018/19. Costs of services provision were recharged to Williamsburgh Property Services Limited. During the year, costs amounting to £71,442 (2018 - £69,764) were recharged to Williamsburgh Property Services Limited. £241 (2018 - £250) was gift aided from Williamsburgh Property Services Limited to Williamsburgh Housing Association Limited. As at 31 March 2019, Williamsburgh Housing Association Limited was owed £38,780 (2018 - £37,435) by Williamsburgh Property Services Limited.

**Management committee members**

As detailed above, the Association has Management Committee members who are also tenants. The total rent charged in the year relating to tenant Management Committee members is £13,489 (2018 - £20,063). The total rent arrears relating to tenant Management Committee members included within debtors at the year-end is £nil (2018 - £nil). The total prepaid rent relating to tenant Management Committee members included within creditors is £225 (2018 - £843).

**28. Big Lottery Funding**

As the accounts are prepared on an accruals basis, the income recorded as being received from the Big Lottery during the year is as follows:-

	£
Opening balance at 1 April 2018	3,346
Received in year	-
Released to income in year	(2,043)
Total deferred grant remaining	<u>1,303</u>