

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

COMMITTEE OF MANAGEMENT, EXECUTIVES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

Committee of Management

S James	Chairperson – Appointed 30.09.20
J Kerr	Vice Chairperson – Appointed 30.09.20
M Symons	
M MacLaren	Renfrewshire Council representative – Appointed 16.09.20
J Callaghan	Appointed 16.09.20
J Scott	
Y Robbie	Appointed 16.09.20
A McLaughlin	Appointed 16.09.20
A Ballantine	
L Zotova	
E McDermott	
L Divens	Left 16.09.20
C Lucas	Left 16.09.20

Executives

J McBride	Chief Executive/Secretary
L. Ferrie	Housing Manager
O McMillan	Maintenance Manager
G Scott	Development Manager
L Ramsay	Finance Manager (from 10th March 2021)

Registered Office

Ralston House
Cyril Street
Paisley
PA1 1RW

Auditor

Azets Audit Services
Chartered accountants
Titanium 1
King's Inch Place
Glasgow
PA4 8WF

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 2021

The Management Committee presents its report, which incorporates the Strategic Report, and the audited financial statements for the year ended 31 March 2021.

Principal activities

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

Vision, Mission Statement and Objectives

Vision

W.H.A.'s aim is to be a leading and innovative provider of quality homes and housing services.

Mission Statement

To provide and develop high quality affordable homes and to maintain our commitment to continuous improvement in service delivery and the regeneration of our communities.

Objectives

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

- Delivering our development and planned maintenance programmes;
- Developing and implementing a new corporate image;
- Implementation of a new Corporate Governance structure;
- Developing and implementing a new Community Regeneration framework;
- Major review of all policies;
- Digitalisation of services.

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 deficit for the year was £184,163 (2020 – surplus of £3,470,391). Net assets stand at £31,864,800 (2020 - £32,048,977).

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.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

Current developments

The Association is progressing one live development scheme at present at Albert Road, Renfrew (42 units).

Further developments

Further pipeline development projects are planned at North Road, Johnstone (25 Units) and Cartha Crescent, Paisley (25 Units).

Risk Management

The Association has a risk management policy in place with the principal risks and controlling actions being reviewed by the Management Committee.

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 COVID19 pandemic continues to be challenging to the housing sector. The office remains closed however we have been successful with home working and continue to follow Government guidance on safe working practices to ensure the health and safety of our staff, tenants and contractors. The Management Team continue to meet routinely to plan, react and adapt to the changing backdrop to the pandemic in order to continue to provide an excellent service to our customers.

Key performance indicators (KPI's)

The Association submitted the 2020/21 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. We continue to achieve high standards of performance - 2020/21 KPI's are as follows:

• Percentage of tenants satisfied with overall service	93.25%
• Percentage of tenants who feel their landlord is good at keeping them informed	98.07%
• Percentage of tenants satisfied with opportunities to participate in decision making	99.04%
• Percentage of stock meeting the Scottish Housing Quality Standard	99.88%
• Average length of time to complete emergency repairs	1.84 hours
• Average length of time to complete non-emergency repairs	2.26 days
• Percentage of reactive repairs carried out and completed 'right first time'	92.54%
• Percentage of repairs appointments kept	N/A
• Percentage of tenants who had repairs carried out, who were satisfied with the service	90.36%
• Number of cases of anti-social behaviour reported in the last year	213 cases
• Number of cases resolved within locally agreed target in the last year	213 cases
• Average length of time taken to re-let properties	40.54 days
• Percentage of rent lost through properties being empty in the last year	0.89%
• Rent collected from tenants as a percentage of total rent due in the reporting year	99.99%

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 2021

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 Management Committee must 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 2019 issued by the Scottish Housing Regulator. 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 £200 (2020 - £380).

Auditor

On 7 September 2020, Group Audit Services Limited trading as Scott-Moncrieff Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name. Azets Audit Services have expressed their willingness to continue in office as auditor and will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

By order of the Management Committee



Susan James

Chairperson

Date: 28th July 2021

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 2021

Opinion

We have audited the financial statements of Williamsburgh Housing Association Limited (the 'Association') for the year ended 31 March 2021 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019 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 UK, including the FRC's Ethical Standard and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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 2021

Other information (continued)

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 2021, 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 in relation to which 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; 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 is 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 2021

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

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

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

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

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

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

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

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

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

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 2021

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

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

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

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

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

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

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.


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

Date: 28th July 2021

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

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

**MANAGEMENT COMMITTEE'S STATEMENT OF INTERNAL FINANCIAL CONTROLS
FOR THE YEAR ENDED 31 MARCH 2021**

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 2021.

By order of the Management Committee



Susan James
Chairperson

Date: 28th July 2021

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

In addition to our audit of the Financial Statements, we have reviewed your statement on page 8 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.

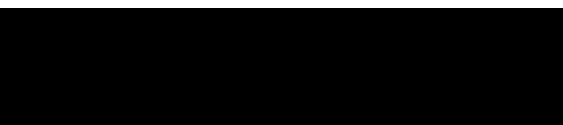
Basis of Opinion

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 8 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.



Azets Audit Services, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Chartered Accountants
Titanium 1
King's Inch Place
Glasgow
PA4 8WF

Date: 28th July 2021

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	4	8,269,405	8,279,180
Operating expenditure	4	(6,789,831)	(6,516,051)
Operating surplus	4	1,479,574	1,763,129
Gain on disposal of property, plant and equipment	10	-	3,706
Investment income		-	-
Interest receivable and other income	11	18,796	47,082
Interest payable and similar charges	12	(533)	(48,526)
Surplus for the year		1,497,837	1,765,391
Actuarial (loss)/gain in respect of pension scheme	24	(1,682,000)	1,705,000
Total comprehensive income for the year		(184,163)	3,470,391

The results for the year relate wholly to continuing activities.

The notes on pages 14 to 36 form part of these financial statements.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

	Share Capital £	Revenue Reserves £	Total Capital & Reserves £
Balance at 1 April 2020	103	32,048,874	32,048,977
Total comprehensive income	-	(184,163)	(184,163)
Shares issued during the year	-		-
Shares cancelled during the year	(14)		(14)
	<u>89</u>	<u>31,864,711</u>	<u>31,864,800</u>
Balance at 31 March 2021	<u>89</u>	<u>31,864,711</u>	<u>31,864,800</u>

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

	<i>Share Capital £</i>	<i>Revenue Reserves £</i>	<i>Total Capital & Reserves £</i>
Balance at 1 April 2019	103	28,578,483	28,578,586
Total comprehensive income	-	3,470,391	3,470,391
Shares issued during the year	6	-	6
Shares cancelled during the year	(6)	-	(6)
	<u>103</u>	<u>32,048,874</u>	<u>32,048,977</u>
Balance at 31 March 2020	<u>103</u>	<u>32,048,874</u>	<u>32,048,977</u>

The notes on pages 14 to 36 form part of these financial statements.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
Tangible fixed assets			
Housing properties	13	68,481,262	69,232,620
Other fixed assets	15	272,354	296,738
Investments	16	2	2
		<u>68,753,618</u>	<u>69,529,360</u>
Current assets			
Debtors	17	255,616	211,362
Cash and cash equivalents	18a	207,714	153,773
Investments	18b	9,204,839	8,537,270
		<u>9,668,169</u>	<u>8,902,405</u>
Creditors: amounts falling due within one year	19	<u>(2,578,663)</u>	<u>(2,640,553)</u>
Net current assets		<u>7,089,506</u>	<u>6,261,852</u>
Total assets less current liabilities		<u>75,843,124</u>	<u>75,791,212</u>
Creditors: amounts falling due after more than one year	20	<u>(42,553,324)</u>	<u>(43,689,161)</u>
Pension – defined benefit liability	24	<u>(1,425,000)</u>	<u>(53,074)</u>
Net assets		<u><u>31,864,800</u></u>	<u><u>32,048,977</u></u>
Capital and reserves			
Share capital	23	89	103
Revenue reserves		<u>31,864,711</u>	<u>32,048,874</u>
		<u><u>31,864,800</u></u>	<u><u>32,048,977</u></u>

The financial statements on pages 10 to 36 were authorised for issue by the Management Committee on 28th July 2021 and were signed on its behalf by:

Joe McBride
Secretary

Susan James
Chairperson

John Kerr
Vice Chairperson

The notes on pages 14 to 36 form part of these financial statements.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	£	2021 £	£	2020 £
Net cash generated from operating activities	25	2,156,922			2,517,963
Cash flow from investing activities					
Purchase of property, plant & equipment		(2,013,381)	(2,800,177)		
Proceeds from sale of property, plant & equipment		-	20,677		
Grants received		753,727	1,095,019		
Interest received		15,796	47,082		
		<u>(1,243,858)</u>			<u>(1,637,399)</u>
Cash flow from financing activities					
Interest paid		(532)	(6,526)		
Repayment of borrowings		(191,022)	(686,661)		
Issue of share capital		-	6		
Deposit to current asset investment		(667,569)	(238,162)		
		<u>(859,123)</u>			<u>(931,343)</u>
Net change in cash and cash equivalents			53,941		(50,779)
Cash and cash equivalents at 1 April			153,773		204,552
Cash and cash equivalents at 31 March			<u>207,714</u>		<u>153,773</u>

(i) Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	Other non- cash changes £	At 31 March 2021 £
Cash and cash equivalents				
Cash	153,773	53,941	-	207,714
Overdrafts	-	-	-	-
Cash equivalents	-	-	-	-
	<u>153,773</u>	<u>53,941</u>	<u>-</u>	<u>207,714</u>
Borrowings				
Debt due within one year	38,080	(38,080)	-	-
Debt due after one year	152,942	(152,942)	-	-
	<u>191,022</u>	<u>(191,022)</u>	<u>-</u>	<u>-</u>
Total	<u>344,795</u>	<u>(137,081)</u>	<u>-</u>	<u>207,714</u>

The notes on pages 14 to 36 form part of these financial statements.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

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 2019 as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018. 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 effect of events relating to the year ended 31 March 2021, 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 2021 and of the results for the year ended on that date. The Association has a subsidiary company, Williamsburgh 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 assessment of going concern includes the continuing impact of Covid-19 to the Association in the next 12 months following the signing of the financial statements. 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.

Income from revenue grants receivable have been covered in a separate accounting policy below.

(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.

(h) Impairment of fixed assets

Reviews for impairment of housing properties are carried out on an annual basis and any impairment in an income-generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of an income-generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows from these units. Impairment of assets would be recognised in the Statement of Comprehensive Income.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

2. Principal Accounting Policies (continued)

(i) 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

(j) Development Administration Costs

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

(k) Investments

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

(l) Debtors

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

(m) 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.

(n) 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.

2. Principal Accounting Policies (continued)

(o) Current asset investments

Current asset investments are represented by long term deposits with financial institutions repayable after more than 3 months.

(p) 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.

(q) 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.

(r) 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.

(s) 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.

(t) Non-Government Capital and Revenue Grants

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

(u) 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.

(v) Pensions (Note 24)

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

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

Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each reporting date.

The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

2. Principal Accounting Policies (continued)

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

- The categorisation of housing properties as property, plant and equipment in line with the requirements of the SORP;
- The amount disclosed as 'operating profit' is representative of activities that would normally be regarded as 'operating'; and
- The identification of a cash-generating unit for impairment purposes.

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.

The impairment of housing properties

At each reporting date, experienced senior management team shall determine whether housing properties are impaired by comparing carrying value against depreciated replacement cost.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

4. Particulars of turnover, operating expenditure and operating surplus/(deficit)

	Notes	Turnover £	Operating Expenditure £	2021 Operating Surplus/ (Deficit) £	Turnover £	Operating Expenditure £	2020 Operating Surplus/ (Deficit) £
Affordable lettings	5	8,222,158	6,656,212	1,565,946	8,159,877	6,310,534	1,849,343
Other activities	6	47,247	133,619	(86,372)	119,303	205,517	(86,214)
		<u>8,269,405</u>	<u>6,789,831</u>	<u>1,479,574</u>	<u>8,279,180</u>	<u>6,516,051</u>	<u>1,763,129</u>

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

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

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

	General Needs Housing £	Supported Housing £	2021 Total £	2020 Total £
Income from rent and service charges				
Rent receivable net of service charge	6,246,071	49,836	6,295,907	6,184,584
Service charges	176,171	2,724	178,895	171,250
Gross income from rents and service charges	6,422,242	52,560	6,474,802	6,355,834
Less voids	(60,622)	-	(60,622)	(34,560)
Net income from rents and service charges	6,361,620	52,560	6,414,180	6,321,274
Release of deferred Government capital grants	1,721,619	10,405	1,732,024	1,756,283
Grants from the Scottish Ministers	75,954	-	75,954	82,320
Total turnover from affordable letting activities	8,159,193	62,965	8,222,158	8,159,877
Expenditure				
Management and maintenance administration costs	(2,055,302)	(15,787)	(2,071,089)	(2,125,880)
Service charges	(158,688)	(2,724)	(161,412)	(162,922)
Planned and cyclical maintenance costs	(998,483)	(1,531)	(1,000,014)	(542,096)
Reactive maintenance costs	(656,382)	(4,529)	(660,911)	(664,153)
Bad debts – rent and service charges	(23,069)	(178)	(23,247)	(96,207)
Depreciation of social housing	(2,721,820)	(17,719)	(2,739,539)	(2,719,276)
Operating expenditure for affordable letting activities	(6,613,744)	(42,468)	(6,656,212)	(6,310,533)
Operating Surplus on affordable letting activities 2021	1,545,449	20,497	1,565,946	
Operating Surplus on affordable letting activities 2020	1,827,472	21,871		1,849,343

WILLIAMSBURG HOUSING ASSOCIATION LIMITED

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

	2021		2020		Operating surplus/ (deficit) £
	Grants from Scottish Ministers £	Other revenue grants £	Total Turnover £	Total Turnover £	
Wider role activities *	30,584	13,107	43,691	115,199	(18,523)
Care and repair of property	-	-	-	-	-
Factoring	-	-	-	-	-
Development and construction of property activities	-	-	-	69,319	(67,697)
Support activities	-	-	-	-	-
Care activities	-	-	-	-	-
Agency/management services for RSLs	-	-	-	4,098	-
Other agency /management services	-	-	-	-	-
Developments for sale to RSLs	-	-	-	-	-
Development and improvements for sale to non RSLs	-	-	-	-	-
Other activities	-	-	3,556	6	3,556
Total from other activities 2021	30,584	13,107	47,247	133,619	(86,372)
Total from other activities 2020	40,272	74,927	4,104	119,303	(86,214)

* 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 2021

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 (2020 – none). The Association considers key management personnel to be the Committee of Management and senior management team (Executives) of the Association only.

	2021 £	2020 £
Emoluments of the former Director (excluding pension contributions)	-	34,323
Total expenses reimbursed insofar as not chargeable to UK income tax	-	183
Emoluments of the current Director, in his role as Director (excluding pension contributions)	74,925	18,325
Total expenses reimbursed insofar as not chargeable to UK income tax	-	-

The current and former directors are ordinary members of the Association's pension scheme described in note 24. 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 former Director were £nil (2020 - £3,126) and for the current Director, in his role as Director, were £14,901 (2020 - £2,309).

The emoluments of key management (excluding pension contributions and including benefits in kind) for the year were £262,918 (2020 - £282,707). Their employers' NI contributions for the year were £31,236 (2020 - £33,639) and their pension contributions for the year were £52,184 (2020 - £34,396).

The emoluments of key management whose total emoluments exceed £60,000 (excluding pension contributions and including benefits in kind) for the year were £201,997 (2020 - £192,862). Their employers' NI contributions for the year were £24,168 (2020 - £23,162) and their pension contributions for the year were £40,098 (2020 - £24,273).

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

	2021 Number	2020 Number
£60,000 - £69,999	2	3
£70,000 - £79,999	1	-
£80,000 - £89,999	-	-
£90,000 - £99,999	-	-
Committee Members Expenses	16	1,272

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

8. Employee Information	2021	<i>Restated</i>
	Number	<i>2020</i>
		<i>Number</i>
The average number of full-time equivalent employees during the year was:	33.1	34.4
Staff costs during year:	£	£
Wages and salaries	1,326,277	1,339,475
Social security costs	136,925	133,173
Pension costs	209,157	137,679
Defined benefit pension liability – staff service costs (note 24)	9,520	72,000
Agency costs	14,289	27,394
	1,696,168	1,709,721
	<u><u>1,696,168</u></u>	<u><u>1,709,721</u></u>
9. Operating surplus	£	£
Operating surplus is stated after charging:		
Depreciation on tangible fixed assets	2,789,122	2,769,089
Auditor's remuneration – audit fees	12,240	11,693
Auditor's remuneration – non-audit fees	588	360
	<u><u>588</u></u>	<u><u>360</u></u>
10. Gain on disposal of property, plant and equipment	2021	2020
	£	£
Vehicle disposal	-	3,706
	<u><u>-</u></u>	<u><u>3,706</u></u>
11. Interest receivable and other income	2021	2020
	£	£
Bank interest receivable	15,796	47,082
Defined benefit pension liability – interest gain (Note 24)	3,000	-
	<u><u>18,796</u></u>	<u><u>47,082</u></u>
12. Interest payable and similar charges	2021	2020
	£	£
On bank loans and overdrafts	533	6,526
Defined benefit pension liability – interest charge (Note 24)	-	42,000
	<u><u>533</u></u>	<u><u>48,526</u></u>

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

13. Tangible Fixed Assets - Housing properties	Housing Properties Held for Letting £	Housing Properties under Construction £	Total £
Cost			
As at 1 April 2020	113,539,450	2,182,373	115,721,823
Additions during year:			
Property transfer from construction	3,085,738	(3,085,738)	-
Property	-	1,729,937	1,729,937
Components	258,244	-	258,244
Disposals during year:			
Property	-	-	-
Components	(151,276)	-	(151,276)
As at 31 March 2021	<u>116,732,156</u>	<u>826,572</u>	<u>117,558,728</u>
Depreciation			
As at 1 April 2020	46,489,203	-	46,489,203
Charge for the year	2,724,103	-	2,724,103
Disposals during year:			
- Property	-	-	-
- Components	(135,840)	-	(135,840)
As at 31 March 2021	<u>49,077,466</u>	<u>-</u>	<u>49,077,466</u>
Net Book Value			
As at 31 March 2021	<u>67,654,690</u>	<u>826,572</u>	<u>68,481,262</u>
As at 31 March 2020	<u>67,050,247</u>	<u>2,182,373</u>	<u>69,232,620</u>

Additions to Housing Properties during the year includes no capitalised interest (2020 - £nil) and £59,456 capitalised administration costs (2020 - £42,516). All housing properties are freehold. Properties with a cost of £nil (2020 - £nil) and accumulated depreciation of £nil (2020 - £nil) were disposed of in the year for net proceeds (after grant repaid of £nil) of £nil (2020 - £nil).

Components with a cost of £151,276 (2020 - £666,415) and accumulated depreciation of £135,840 (2020 - £625,162) were disposed of in the year.

Included in housing properties is land with a historic cost allocation of £7,168,549 (2020 - £7,068,549)

14. Housing Stock

The number of housing units in management as at 31 March 2021 was:

	2021 Number	2020 Number
General Needs Housing	1,628	1,608
Supported Housing	11	13
Total Units	<u>1,639</u>	<u>1,621</u>

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

15. Tangible Fixed Assets - Other fixed assets

	Office Premises £	Office Vehicle £	Furniture & Fittings £	Total £
Cost				
At 1 April 2020	372,032	15,244	547,356	934,632
Additions during year	-	-	25,199	25,199
Disposals	-	-	-	-
At 31 March 2021	<u>372,032</u>	<u>15,244</u>	<u>572,555</u>	<u>959,831</u>
Depreciation				
At 1 April 2020	369,981	6,097	261,816	637,894
Charge for year	1,025	3,049	45,509	49,583
On disposals	-	-	-	-
At 31 March 2021	<u>371,006</u>	<u>9,146</u>	<u>307,325</u>	<u>687,477</u>
Net Book Value				
At 31 March 2021	<u>1,026</u>	<u>6,098</u>	<u>265,230</u>	<u>272,354</u>
At 31 March 2020	<u>2,051</u>	<u>9,147</u>	<u>285,540</u>	<u>296,738</u>

16. Investments

	2021 £	2020 £
Investment in subsidiary undertaking	<u>2</u>	<u>2</u>

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 2021 the capital and reserves and results for the year of Williamsburgh Property Services Limited were:

	2021 £	2020 £
Capital and reserves	<u>2</u>	<u>2</u>
Profit for the year	<u>-</u>	<u>-</u>

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

17. Debtors	2021 £	2020 £
Arrears of rent and service charges	310,934	360,309
Less: provision for doubtful debts	(198,097)	(265,608)
	<u>112,837</u>	<u>94,701</u>
Other debtors	1,598	-
Amounts due from subsidiary	36,259	27,216
Prepayments and accrued income	104,922	89,445
	<u>255,616</u>	<u>211,362</u>
	<u><u>255,616</u></u>	<u><u>211,362</u></u>
18a. Cash and cash equivalents	2021 £	2020 £
Current accounts	207,653	153,573
Cash in hand	61	200
	<u>207,714</u>	<u>153,773</u>
	<u><u>207,714</u></u>	<u><u>153,773</u></u>
18b. Investments	2021 £	2020 £
Balances held in deposit accounts	9,204,839	8,537,270
	<u>9,204,839</u>	<u>8,537,270</u>
	<u><u>9,204,839</u></u>	<u><u>8,537,270</u></u>
19. Creditors – Amounts falling due within one year	2021 £	2020 £
Housing loans	-	38,080
Other taxes and social security costs	39,637	34,192
Owed to contractors	240,701	300,310
Rents and service charges in advance	458,602	353,481
Trade creditors	57,434	49,696
Sundry creditors and accruals	77,048	164,151
Deferred Government capital grants	1,705,241	1,700,643
	<u>2,578,663</u>	<u>2,640,553</u>
	<u><u>2,578,663</u></u>	<u><u>2,640,553</u></u>

Pension contributions of £nil were outstanding at the year-end (2020- £nil).

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

20. Creditors – Amounts falling due after one year	2021 £	2020 £
Housing loans	-	152,942
Deferred Government capital grants	42,553,324	43,536,219
	<u>42,553,324</u>	<u>43,689,161</u>

21. Loans

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

	2021 £	2020 £
Loans advanced by private lenders	-	191,022
	<u>-</u>	<u>191,022</u>
Due within one year	-	38,080
Due between one and two years	-	38,080
Due between two and five years	-	114,240
Due after five years	-	622
	<u>-</u>	<u>191,022</u>
Less: included in current liabilities above (note 19)	-	(38,080)
	<u>-</u>	<u>152,942</u>

All Bank loans for mortgages on housing properties have been repaid during this financial year. Loans were secured by standard securities over the title of the properties to which they relate. The carrying value of the secured property is NIL (2020 - £1,980,683).

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

22. Deferred capital grants	2021	2020
	£	£
Deferred capital grants at 1 April	45,236,862	45,898,125
Grants received in year	753,727	1,095,020
Released to income in year	(1,732,024)	(1,756,283)
	<u>44,258,565</u>	<u>45,236,862</u>
Deferred capital grants at 31 March	<u><u>44,258,565</u></u>	<u><u>45,236,862</u></u>
	2021	2020
	£	£
Split:		
Due within one year	1,705,241	1,700,643
Due between one and two years	1,697,193	1,661,766
Due between two and five years	5,009,998	4,843,127
Due after five years	35,846,133	37,031,326
	<u>44,258,565</u>	<u>45,236,862</u>
	<u><u>44,258,565</u></u>	<u><u>45,236,862</u></u>
	2021	2020
	£	£
23. Share capital		
Shares of £1 each fully paid and issued as at 1 April	103	103
Shares issued in year	-	6
Shares cancelled in year	(14)	(6)
	<u>89</u>	<u>103</u>
As at 31 March	<u><u>89</u></u>	<u><u>103</u></u>

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

24. 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 19.9% 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 30 (2020 - 30) active members of the DB Scheme employed by the Association.

As at the Statement of Financial Position date there were 4 (2020 - 3) 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.

The last triennial valuation of the Scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A Recovery Plan has been put in place to eliminate the deficit which will run to 30 September 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 2021

24. Retirement Benefit Obligations (continued)

The key valuation assumptions used to determine the assets and liabilities of the Scheme as at 30 September 2018 are detailed below:

- Investment return pre retirement		3.12% per annum
- Investment return post retirement	- Non-pensioners	3.12% per annum
- Investment return post retirement	- Pensioners	3.12% per annum
- Rate of salary increases		3.35% 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		3.35% per annum

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 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

	31 March 2021	31 March 2020
	£'000	£'000
Fair value of plan assets	12,298	10,786
Present value of defined benefit obligation	(13,723)	(10,839)
Defined benefit liability to be recognised	(1,425)	(53)

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

24. Retirement Benefit Obligations (continued)

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Defined benefit obligation at start of period	(10,839)	(11,856)
Current service cost	(221)	(240)
Expenses	(11)	(8)
Interest expense	(257)	(277)
Contributions by plan participants	(132)	(144)
Actuarial (losses) due to scheme experience	(15)	(84)
Actuarial gains due to changes in demographic assumptions	-	67
Actuarial (losses)/gains due to changes in financial assumptions	(2,556)	1,338
Benefits paid and expenses	308	365
Defined benefit liability at the end of the period	(13,723)	(10,839)

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

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Fair value of plan assets at start of the period	10,786	9,954
Interest income	260	235
Experience on plan assets (excluding amounts included in interest income) - gain	889	384
Contributions by the employer	539	434
Contributions by plan participants	132	144
Benefits paid and expenses	(308)	(365)
Fair value of plan assets at end of period	12,298	10,786

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Current service cost	221	240
Admin expenses	11	8
Net interest expense	(3)	42
Defined benefit costs recognised in Statement of Comprehensive Income	229	290

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

24. Retirement Benefit Obligations (continued)

Defined benefit costs recognised in Other Comprehensive Income

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Experience on plan assets (excluding amounts included in net interest - gain)	889	384
Experience gains and losses arising on the plan liabilities – gain	(15)	(84)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	-	67
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – (loss)/gain	(2,556)	1,338
Total amount recognised in other comprehensive income – (loss)	(1,682)	1,705

Fund allocation for employer's calculated share of assets

	31 March 2021 £'000	31 March 2020 £'000
Global Equity	1,903	1,483
Absolute Return	606	662
Distressed Opportunities	420	197
Credit Relative Value	354	259
Alternative Risk Premia	493	864
Fund of Hedge Funds	-	-
Emerging Markets Debt	496	383
Risk Sharing	440	342
Insurance-Linked Securities	257	289
Property	220	201
Infrastructure	687	636
Private Debt	290	214
Opportunistic Liquid Credit	315	263
High Yield	322	-
Opportunistic Credit	336	-
Cash	4	-
Corporate Bond Fund	928	788
Liquid Credit	212	283
Long Lease Property	285	264
Secured Income	676	599
Over 15 Year Gilts	6	137
Liability Driven Investment	2,957	2,840
Net Current Assets	91	82
Total Assets	12,298	10,786

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

24. 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 2021 % per annum
Discount rate	2.19
Inflation (RPI)	3.26
Inflation (CPI)	2.87
Salary growth	3.87
Allowance for commutation of pension for cash at retirement	75% of maximum allowance

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

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

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	9	420	52
Females	21	688	48
Total	30	1,108	49

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	4	3	54
Females	1	1	60
Total	5	4	55

Pensioners

	Number	Pensions (£'000s p.a.)	Average age (unweighted)
Males	7	86	71
Females	6	43	64
Total	13	128	68

24. 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 2020. As of this date the estimated employer debt for the Association was £9,077,199.

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.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

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

	2021 £	2020 £
25. Net Cash Flow from Operating Activities		
Surplus for the year	1,497,838	1,765,391
<u>Adjustment for non-cash items:</u>		
Carrying amount of tangible fixed asset disposed	-	-
Depreciation of tangible fixed assets including loss on disposal of components	2,789,122	2,769,089
Decrease/(increase) in trade and other debtors	(44,254)	59,048
(Increase)/decrease in trade and other creditors	(28,409)	(131,088)
Interest charge in respect of the defined benefit pension liability	(3,000)	42,000
Staff service costs in respect of the defined benefit pension liability	9,520	72,000
<u>Adjustments for investing and financing activities:</u>		
Net proceeds from sale of tangible fixed assets	-	(3,706)
Interest payable	532	6,526
Interest received	(15,796)	(47,082)
Release of deferred Government capital grants	(1,732,024)	(1,756,283)
SHAPS past service deficit payment	(316,593)	(257,926)
Shares cancelled	(14)	(6)
	<u>2,156,922</u>	<u>2,517,963</u>
Net cash inflow from operating activities	<u>2,156,922</u>	<u>2,517,963</u>

26. Capital Commitments

	2021 £	2020 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>349,053</u>	<u>835,992</u>

The above commitments will be financed by:

Association's reserves	<u>349,053</u>	<u>835,992</u>
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27. Related Party Transactions

There are three tenant members and eight non-tenant members of the Management Committee. Of the eight Committee members who are non-tenants one is a representative of Renfrewshire Council. 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 2020/21. Costs of services provision were recharged to Williamsburgh Property Services Limited. During the year, costs amounting to £65,947 (2020 - £69,063) were recharged to Williamsburgh Property Services Limited. £nil (2020 - £nil) was gift aided from Williamsburgh Property Services Limited to Williamsburgh Housing Association Limited. As at 31 March 2021, Williamsburgh Housing Association Limited was owed £36,259 (2020 - £27,216) 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 £11,533 (2020 - £14,238). The total rent arrears relating to tenant Management Committee members included within debtors at the year-end is £nil (2020 - £nil). The total prepaid rent relating to tenant Management Committee members included within creditors is £638 (2020 - £417).