



Abronhill Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2021

Registered Social Landlord No. HCB275

FCA Reference No. 2443R(S)

Scottish Charity No. SC033116

ABRONHILL HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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ABRONHILL HOUSING ASSOCIATION LIMITED

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

COMMITTEE OF MANAGEMENT

Paul Broadwith
Raymond Russell
Iain Smith
Linda Black
Kevin McMail
Elizabeth Irvine
Craig Burns
Mary McGuire
William Noon
Deborah Brown
Audrey Smith
Robert Brownlee

Chair
Vice Chairperson
Secretary
Resigned 24 June 2021
Resigned 17 September 2020
Resigned 17 September 2020

Resigned 4 February 2021
Co-opted 17 September 2020
Co-opted 17 September 2020
Appointed 17 September 2020
Appointed 27 May 2021

EXECUTIVE OFFICERS

Stephen Macintyre

Providing Senior Management Services
(Hillhead Housing Association)

REGISTERED OFFICE

Unit 10
Abronhill Shopping Centre
Cumbernauld
G67 3AZ

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

Quinn Internal Audit
& Business Support Services
55 Lady Place
West Lothian
EH54 6TB

FINANCE AGENTS

FMD Financial Services Ltd
Unit 29 Ladyloan Place
Drumchapel
G15 8LB

BANKERS

Royal Bank of Scotland
1 Roadside Village
Cumbernauld
G67 2SS

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

ABRONHILL HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2021

The Management Committee presents its report and the financial statements for the year ended 31 March 2021.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 (No. 2443R(S)). The Association is governed under its Rule Book. The association is a registered Scottish Charity with the charity number SC033116.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation.

Review of Business and Future Developments

We reported in last year's Accounts that the full impact of the pandemic would not fully be known until the accounts to 31 March 2021 were completed. Since March 2020, we have been through three lockdowns and currently are still operating in a restricted environment.

Our office remains closed, and all of our staff are still working from home.

For the first few months, we had to suspend our letting activities and that has resulted in an increase in rent loss due to voids being held for longer. Although letting activities restarted in late June 2020 these were suspended again in the New Year for a short time due to the imposition of further lock down restrictions. Since February, performance has started to improve but not sufficiently to recoup the losses that we incurred in the first part of the year.

We also had to suspend the ongoing upgrade of fire detection systems in tenanted homes due to restrictions on working in occupied homes being in place for most of the accounting period.

Fortunately, we did not have any significant planned maintenance works programmed for the year.

Whilst we plan to bring some staff back to our office in middle to late August this will be dependent on the level of restrictions that may remain in place at the time. This will also have a bearing on when we might be able to reopen our office to the public. For the duration of the year, home visits, repairs response times, and the time taken to re-let properties continue to be affected by the restrictions under which we are currently operating.

The Association made a surplus of £11,339 after pension adjustments, in the year to 31 March 2021. Its financial operations remain stable and we continue to be supported by a loan facility from the Coop bank.

ABRONHILL HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2021

Review of Business and Future Developments (Contd.)

The Association's main source of income is from rents. Rent charges in the year amounted to £977,000. The Association's Rent Setting Policy is based on the size, type and facilities of the accommodation and the historic costs of the properties. The rent structure is easy to administer and covers the wide variations within the Association's properties. We consult with tenants each year about our proposals for the following year's rent, taking account of investment priorities, affordability and scope for efficiencies within our own management costs. A percentage value is applied annually to ensure that the rents cover the required costs. Rents were increased by 2.5% for 20/21.

With just over £67,000 spent on new components, our biggest investment remains in the day-to-day maintenance of the housing stock that totalled £199,000. An additional sum of £30,000 was invested in planned maintenance works.

The net cost of housing assets at 31 March 2021 is £3,869,000.

The net cost of other fixed assets is £7,600.

Cash balances at 31 March 2021 amount to just over £778,000 an increase from £703,000 at the end of March 2020.

Outstanding loans amount to £930,000 at 31 March 2021. The Association continues to be in a strong financial position. Loan facilities continue to be available to it. The Association has built on its reserves and has committed sufficient funds over the next year to meet our commitments under the Scottish Housing Quality Standard and the EESSH.

Corporate Governance

The Association has a Committee of Management who are elected by the members of the Association. (See above for details). It is the responsibility of the Committee to undertake the strategy, setting of policy and overall direction of the Association. The Committee also monitors the operational activities of the Association. The members of the Committee of Management are not paid by the Association for this work.

After a successful first two years, Hillhead Housing Association was re-appointed in May 2021 to provide Director Services, for a further period of two years. The Director, Stephen Macintyre, is responsible for achieving the strategy set, and undertaking the operational activities in line with the policies set by the Management Committee.

Our governing body is our Management Committee, which is responsible to the wider membership. Committee members serve in a voluntary capacity, and we recognise that this puts even more onus on us to ensure that we set and achieve high standard of professionalism in our work. We take governance very seriously, and in the last year we continued to build on work from previous years that strengthened our governance arrangements. During the year we recruited three new members onto our Management Committee.

ABRONHILL HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2021

Corporate Governance (Contd.)

In December 2020 we submitted our annual assurance statement to the Scottish Housing Regulator (SHR) and continue to enjoy a low level of engagement with SHR. We continue to submit the other statutory and regulatory returns as due.

Training and Recruiting Committee Members.

Any vacancies on the Management Committee are filled from members of the wider community who are interested in the Association's aims and objectives for the area and come from a range of backgrounds. Induction training is provided for all new committee members. In 2020 we ran a successful recruitment campaign with three new members joining each bringing their own set of skills and experience to enhance and widen the skill set of our Committee.

We carry out an independent Committee appraisal each year and Committee members are required to attend training events and conferences to build on their experience and develop new skills.

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

Corporate Issues

Tenant involvement and participation is a major part of the Association's aims and objectives, and we continue to review how the Association involves tenants in its activities. The ongoing pandemic has made this more difficult and we have worked with TPAS to facilitate on-line engagement. Although this has not been as successful as we had hoped, we are continuing to explore new and innovative ways of engaging with our tenants.

Performance Management and Service Delivery

Performance management and service delivery are high priorities for the Association.

The staff team have worked hard to achieve the outcomes in the Scottish Social Housing Charter and whilst some areas of performance have dipped due to the corona virus restrictions, we have continued to perform relatively well.

Policies and procedures are regularly reviewed and agreed by the Management Committee. Performance in arrears management is also closely monitored given the current economic impact of the pandemic. There has been an increase in the level of rent arrears as a higher proportion of our tenants are now in receipt of Universal Credit which has resulted in the Association carrying a higher level of technical arrears. Gross rent arrears increased from 5.22% at the end of March 2020 to 5.69% at the end of March 2021. Levels of rent collection fell back to 96.39% from 99.83% in the previous year.

In April 2021 we appointed a new Gas Servicing and Repairs Contractor as part of a joint procurement exercise with Hillhead Housing Association and we continue to offer our tenants an excellent service that continues to receive very high levels of tenant satisfaction. Our repair response times have been impacted

ABRONHILL HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2021

Performance Management and Service Delivery (Contd.)

by the COVID-19 restrictions that were in place for all of last year. Nonetheless, we responded to emergency calls within an average time of 3.41 hours and to non-emergency calls within an average time of 6.83 days.

In addition, the Association has a long-term programme of major repairs to cover for works which have become necessary since the original development was completed, including works required by subsequent legislative changes.

A planned update to our last stock condition that was completed in July 2017 was put on hold as a consequence of the pandemic. It will now take place in 21/22. The results are incorporated into the Association's planned maintenance programme to ensure that the required standards are met wherever economically possible within the set timescales.

We have also resumed our planned investment of £50,000 in upgrading the fire detection systems in our homes in order to ensure we comply with Fire Safety Regulations by the end of February 2022.

Best use of resources

We regularly conduct risk assessments, and take any action necessary to reduce or limit risk. We have a rolling programme of stock condition surveys, to ensure that our long-term financial planning reflects our future investment requirements.

Development Issues

Abronhill HA is not traditionally a developing association. However, a site has been identified in the local strategic housing investment plan for 36 units in 2020/21 for Abronhill HA, with a potential for a further 25 units in the future. As part of this development, we decided to refinance in order to have access to development finance to support this new housing development opportunity. In June 2021 we concluded the refinancing process and this has enabled the Association to pay off the remaining outstanding loan to the Coop Bank as well as provide a further facility of £2.1m to finance the new build development.

The development which comprises 36 new homes is being managed by Clyde Valley Housing Association is expected to complete by the end of the 2021.

ABRONHILL HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2021

Housing Issues

A major issue for housing associations continues to be the impact of the UK Government's changes to the welfare system. This is compounded by the pandemic and current furlough arrangements which are supporting many businesses but is due to end late this year. A temporary £20.00 per week uplift in the Universal Credit support is also due to end later this year. Despite the restrictions on home visits our staff have been working continuously throughout the year to engage with tenants whom the benefit changes and pandemic related issues affect in order to signpost them in the direction of financial advice and support.

During the year we successfully applied to the Communities Recovery Fund that has enabled us to disburse almost £15,000 of financial support to our tenants. The Association has worked in partnership for a number of years now with Citizens Advice and five other RSL's in North Lanarkshire to provide all of our tenants and residents with excellent up to date advice and information on a range of issues like Benefit Sanctions, Hardship payments, Budgeting Loans, Scottish Welfare Fund and much more. The Association now makes a small contribution towards the running costs of this service.

Investment Appraisal

Capital expenditure is regulated by budgetary process and authorisation levels. For expenditure beyond specified levels, detailed written proposals have to be submitted to the Committee. Reviews are carried out during the development period, to monitor expenditure and performance.

Treasury management

The Association has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Management Committee. In this way the Association manages its borrowing arrangements to ensure that it is always able to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held.

Internal Financial Control

The Management Committee is responsible for establishing and maintaining the Association's system of internal control. Internal control systems are designed to meet the particular needs of the Association and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss.

Risk Management

The Association has an active risk management process, with policies, risk matrix map and a business continuity plan. All major risks are considered so mitigating action can be planned.

Key risks include: Internal risks - loss of key staff or committee personnel, fraud, health & safety failures; and these are mitigated by robust policies, procedures, and a range of audits. External risks include: - welfare reform impacts, changes in regulatory requirements, data loss/cyber-security issues and these are mitigated by close attention to external information and advice, active membership of representative bodies and obtaining best practice advice on IT security and data protection matters.

ABRONHILL HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2021

Employee Involvement and Health & Safety

The Association encourages employee involvement in all Health and Safety initiatives. The Association monitors its Health and Safety work closely. Our last Health & Safety Audit took place in June 2021. Health & Safety has been given increased prominence given the fact that our staff are continuing to work remotely and staff well-being rightly is being given a high level of support.

ABRONHILL HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2021

Committee of Management and Executive Officers

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

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

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

Statement of Committee of Management's Responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- prepare a statement on internal financial control.

The Committee of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to: ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019. It 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. It is also responsible for ensuring the Association's suppliers are paid promptly.

Going Concern

Based on its budgetary and forecasting processes the Committee of Management has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future; therefore, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

ABRONHILL HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2021

Statement on Internal Financial Control

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

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

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

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

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

Disclosure of Information to the Auditor

The members of the Committee of Management at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditor

Following a competitive tender process Chiene & Tait, Chartered Accountants will be proposed as the Association's auditors for the financial year 2021/22.

ABRONHILL HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2021

By order of the Committee of Management



IAIN SMITH

Secretary

20/8/2021

ABRONHILL HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE MEMBERS OF ABRONHILL HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

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

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 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 of Internal Financial Control on page 9 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice 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 enquiry of certain members of the Committee of Management and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Committee of Management'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 Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW

26/8/2021



Alexander Sloan
Accountants and Business Advisers

ABRONHILL HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABRONHILL HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021

Opinion

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

In our opinion the financial statements:

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

Basis of 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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Committee of Management 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 Committee of Management with respect to going concern are described in the relevant sections of this report.

Other Information

The Committee of Management is responsible for the other information. The other information comprises the information contained 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

ABRONHILL HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABRONHILL HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Other Information (Contd.)

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.

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:

- proper books of account have not been kept by the Association in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation;
- the Statement of Comprehensive Income and Statement of Financial Position are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Committee of Management

As explained more fully in the statement of Committee of Management's responsibilities as set out on page 8, the Committee of Management is responsible for the preparation of the financial statements and for being satisfied that they give true and fair view, and for such internal control as the Committee of Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee of Management 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 Committee of Management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

ABRONHILL HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABRONHILL HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021 (continued)

The extent to which the audit was considered capable of detecting irregularities 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 gained an understanding of the legal and regulatory framework applicable to the Association through discussions with the Committee of Management and other management, and from our wider 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 (and related regulations), the Housing (Scotland) Act 2010 and other laws and regulations applicable to a registered social housing provider in Scotland. We also considered the risks of non-compliance with the other requirements imposed by the Scottish Housing Regulator and we considered the extent to which non-compliance might have a material effect on the financial statements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; 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.

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 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 set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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;
- reviewing the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing the Association's Assurance Statement and associated supporting information.

ABRONHILL HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABRONHILL HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021 (continued)

The extent to which the audit was considered capable of detecting irregularities including fraud (Contd.)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our Report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an 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.



ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW

26/8/2021



Alexander Sloan
Accountants and Business Advisers

ABRONHILL HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Notes	£	2021 £	£	2020 £
Revenue	2		1,010,536		994,438
Operating costs	2		823,731		835,299
OPERATING SURPLUS			186,805		159,139
Interest receivable and other income		506		2,752	
Interest payable and similar charges	7	(8,972)		(36,642)	
Other Finance income/(charges)	10	-		(3,000)	
			(8,466)		(36,890)
SURPLUS FOR THE YEAR	8		178,339		122,249
Other comprehensive income					
Actuarial gains/(losses) on defined benefit pension plan	18		(167,000)		112,000
TOTAL COMPREHENSIVE INCOME			11,339		234,249

The results relate wholly to continuing activities.

The notes on pages 20 to 39 form an integral part of these financial statements.

ABRONHILL HOUSING ASSOCIATION LIMITED

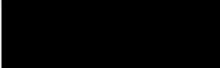
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Notes	£	2021 £	2020 £
NON-CURRENT ASSETS				
Housing properties - depreciated cost	11		3,869,150	3,986,617
Other tangible assets	11		7,636	11,807
			3,876,786	3,998,424
CURRENT ASSETS				
Receivables	13	85,316	66,431	
Cash and cash equivalents	14	777,840	703,281	
CREDITORS: Amounts falling due within one year	15	863,156 (213,399)	769,712 (229,185)	
NET CURRENT ASSETS			649,757	540,527
TOTAL ASSETS LESS CURRENT LIABILITIES			4,526,543	4,538,951
CREDITORS: Amounts falling due after more than one year	16		(822,642)	(933,716)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES				
Scottish housing association pension scheme	18	(131,000)	-	
			(131,000)	-
DEFERRED INCOME				
Social housing grants	19	(1,115,303)	(1,158,972)	
			(1,115,303)	(1,158,972)
NET ASSETS			2,457,598	2,446,263
EQUITY				
Share capital	20		52	56
Revenue reserves			2,588,546	2,446,207
Pension reserves			(131,000)	-
			2,457,598	2,446,263

The financial statements were approved by the Committee of Management and authorised for issue and signed on their behalf on 26/8/2021


Committee Member


Committee Member


Secretary

The notes on pages 20 to 39 form an integral part of these financial statements.

ABRONHILL HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	£	2021 £	£	2020 £
Surplus for the Year			178,339		122,249
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets	11	191,464		207,264	
Amortisation of capital grants	19	(43,669)		(39,198)	
Non-cash adjustments to pension provisions		(36,000)		(35,000)	
Share capital written off	20	(5)		(5)	
			111,790		133,061
Interest receivable			(506)		(2,752)
Interest payable	7		8,972		36,642
Operating cash flows before movements in working capital			298,595		289,200
Change in debtors		(18,885)		(9,397)	
Change in creditors		7,429		7,047	
			(11,456)		(2,350)
Net cash inflow from operating activities			287,139		286,850
Investing Activities					
Acquisition and construction of properties		(67,558)		(91,036)	
Purchase of other fixed assets		(2,268)		(6,173)	
Net cash outflow from investing activities			(69,826)		(97,209)
Financing Activities					
Interest received on cash and cash equivalents		506		2,752	
Interest paid on loans		(8,972)		(36,642)	
Loan principal repayments		(134,289)		(69,572)	
Share capital issued	20	1		1	
Net cash outflow from financing activities			(142,754)		(103,461)
Increase in cash	21		74,559		86,180
Opening cash & cash equivalents			703,281		617,101
Closing cash & cash equivalents			777,840		703,281
Cash and cash equivalents as at 31 March					
Cash	21		777,840		703,281
			777,840		703,281

The notes on pages 20 to 39 form an integral part of these financial statements.

ABRONHILL HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2021

	Share Capital £	Scottish Housing Association Pension reserve £	Revenue Reserve £	Total £
Balance as at 1 April 2019	60	(147,000)	2,358,958	2,212,018
Issue of Shares	1	-	-	1
Cancellation of Shares	(5)	-	-	(5)
Other comprehensive income	-	112,000	-	112,000
Other movements	-	35,000	(35,000)	-
Surplus for the year	-	-	122,249	122,249
Balance as at 31 March 2020	56	-	2,446,207	2,446,263
Balance as at 1 April 2020	56	-	2,446,207	2,446,263
Issue of Shares	1	-	-	1
Cancellation of Shares	(5)	-	-	(5)
Other comprehensive income	-	(167,000)	-	(167,000)
Other movements	-	36,000	(36,000)	-
Surplus for the year	-	-	178,339	178,339
Balance as at 31 March 2021	52	(131,000)	2,588,546	2,457,598

The notes on pages 20 to 39 form an integral part of these financial statements.

ABRONHILL HOUSING ASSOCIATION LIMITED

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

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2019. They comply with the Determination of Accounting Requirements 2019. A summary of the principal accounting policies is set out below

Revenue

Revenue comprises rental and service charge income receivable in the period, sales of properties built for sale, other services provided, revenue grants receivable and government grants released to income in the period.

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

Government grants are released to income over the expected useful life of the asset to which they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

Retirement Benefits

The Association previously participated in the Scottish Housing Association Pension Scheme (SHAPS) a multi-employer defined benefit scheme where 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 organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association moved to the SHAPS defined contribution scheme on leaving the defined benefit scheme. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

Going Concern

On the basis that the Committee of Management has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, the Association has adopted the going concern basis of accounting in preparing these financial statements.

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Housing Properties

Housing properties are held for the provision of social housing. Housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes acquisition of land and buildings and development cost. The Association depreciates housing properties over the useful life of each major component. Housing under construction and land are not depreciated.

<i>Component</i>	<i>Useful Economic Life</i>
Structure	Over 50 Years
Roof	Over 50 Years
Bathrooms	Over 20 Years
Kitchens	Over 20 Years
Windows	Over 30 Years
Doors	Over 40 Years
Heating Systems	Over 40 Years
Boiler	Over 25 Years
Rewiring	Over 35 Years
Heat Detectors	Over 10 Years

Depreciation and Impairment of Other Tangible Assets

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

<i>Asset Category</i>	<i>Depreciation Rate</i>
Office Premises	15%
Furniture & Fittings	25%
Computer & Office Equipment	25%

The carrying values of non-current assets are reviewed for impairment at the end of each reporting period.

Social Housing Grants and Other Capital Grants

Social housing grants and other capital grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which they relate.

Social housing grant attributed to individual components is written off to the statement of comprehensive income when these components are replaced.

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

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Taxation

The Association is a Registered Scottish Charity and is not liable to taxation on its charitable activities.

Leases

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

Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property, a material reduction in future maintenance costs, or a significant extension of the life of the property.

Capitalisation Of Development Overheads

Directly attributable development administration costs relating to ongoing development activities are capitalised.

Borrowing Costs

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme. All other borrowing costs are expensed to the statement of comprehensive income using the effective interest rate method.

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Financial Instruments - Basic

The Association classes all of its loans as basic financial instruments including agreements with break clauses. The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

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

Cash and Liquid Resources

Cash comprises cash at bank and in hand, deposits repayable on demand less overdrafts. Liquid resources are current asset investments that can't be disposed of without penalty and are readily convertible into amounts of cash at their carrying value.

Impairment

The Association assesses at the end of each accounting period whether there are indications that a non-current asset may be impaired or that an impairment loss previously recognised has fully or partially reversed.

Where the carrying value of non-current assets is less than their recoverable amounts the shortfall is recognised as an impairment loss in the Statement of Comprehensive Income. The recoverable amount is the higher of the fair value less costs to sell and value-in-use of the asset based on its service potential.

Impairment losses previously recognised are reversed if the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income.

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies

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

Key Judgements

a) Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Financial instrument break clauses

The Committee of Management has considered the break clauses attached to the financial instruments that it has in place for its loan funding. In their judgement these break clauses do not cause the financial instrument to be classified as a complex financial instrument and therefore they meet the definition of a basic financial instrument.

d) Pension Liability

The Association participated in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. The Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method.

Estimation Uncertainty

a) Rent Arrears - Bad Debt Provision

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

The Association assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this assessment.

d) Defined pension liability

In determining the value of the Association's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds.

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

			Operating	Operating		Operating	Operating
	Notes	Turnover	costs	surplus /	Turnover	costs	surplus /
		£	£	(deficit)	£	£	(deficit)
Affordable letting activities	3	996,086	803,606	192,480	994,438	827,669	166,769
Other Activities	4	14,450	20,125	(5,675)	-	7,630	(7,630)
Total		1,010,536	823,731	186,805	994,438	835,299	159,139

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

	General Needs Housing £	2021 Total £	2020 Total £
Revenue from Lettings			
Rent receivable net of service charges	975,105	975,105	952,729
Service charges receivable	1,919	1,919	1,993
Gross income from rent and service charges	977,024	977,024	954,722
Less: Rent losses from voids	26,191	26,191	12,791
Income from rents and service charges	950,833	950,833	941,931
Grants released from deferred income	43,669	43,669	39,198
Revenue grants from Scottish Ministers	1,584	1,584	13,309
Total turnover from affordable letting activities	996,086	996,086	994,438
Expenditure on affordable letting activities			
Management and maintenance administration costs	376,171	376,171	348,625
Service costs	1,919	1,919	1,993
Planned and cyclical maintenance, including major repairs	30,489	30,489	64,508
Reactive maintenance costs	199,128	199,128	199,635
Bad Debts - rents and service charges	10,873	10,873	12,483
Depreciation of affordable let properties	185,026	185,026	200,425
Operating costs of affordable letting activities	803,606	803,606	827,669
Operating surplus on affordable letting activities	192,480	192,480	166,769
2020	166,769		

Included in planned and cyclical maintenance is £13,419 (2020: £48,198) of major repairs costs.

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS (continued)

4. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	Total Turnover £	Operating costs - bad debts £	Other operating costs £	Operating surplus /(deficit) 2021 £	Operating surplus /(deficit) 2020 £
Wider role activities	-	14,450	-	-	14,450	-	20,125	(5,675)	(7,630)
Total From Other Activities	-	14,450	-	-	14,450	-	20,125	(5,675)	(7,630)
2020	-	-	-	-	-	-	7,630	(7,630)	

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS

	2021 £	2020 £
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Committee of Management, managers and employees of the Association.		
No Officer of the Association received emoluments greater than £60,000.		
No pension contributions were made to Officers receiving emoluments greater than £60,000.		
Consideration paid for services of key management personnel paid to third parties	32,042	35,582

6. EMPLOYEE INFORMATION

	2021 No.	2020 No.
Average monthly number of full time equivalent persons employed during the year	5	4
Average total number of employees employed during the year	5	5
Staff costs were:	£	£
Wages and salaries	152,264	144,667
National insurance costs	7,508	7,252
Pension costs	13,610	13,071
	173,382	164,990

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£	£
On bank loans and overdrafts	<u>8,972</u>	<u>36,642</u>

8. SURPLUS FOR THE YEAR

	2021	2020
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	191,464	207,264
Auditors' remuneration - audit services	8,760	8,208
Operating lease rentals - other	<u>1,526</u>	<u>1,488</u>

9 CORPORATION TAX

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities.

10. OTHER FINANCE INCOME / (CHARGES)

	2021	2020
	£	£
Net interest on pension obligations	<u>-</u>	<u>(3,000)</u>

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Total £
COST		
At 1 April 2020	6,276,680	6,276,680
Additions	67,558	67,558
Disposals	(10,538)	(10,538)
At 31 March 2021	6,333,700	6,333,700
DEPRECIATION		
At 1 April 2020	2,290,063	2,290,063
Charge for Year	185,025	185,025
Disposals	(10,538)	(10,538)
At 31 March 2021	2,464,550	2,464,550
NET BOOK VALUE		
At 31 March 2021	3,869,150	3,869,150
At 31 March 2020	3,986,617	3,986,617

	2021		2020	
Expenditure on Existing Properties	<i>Component replacement</i>	<i>Improvement</i>	<i>Component replacement</i>	<i>Improvement</i>
	-	-	£	£
Amounts capitalised	67,558	-	91,035	-
Amounts charged to the statement of comprehensive income		229,617		264,143

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £1,361,437 (2020 - £1,413,567)

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Total £
COST			
At 1 April 2020	96,004	62,486	158,490
Additions	-	2,268	2,268
At 31 March 2021	96,004	64,754	160,758
DEPRECIATION			
At 1 April 2020	88,888	57,795	146,683
Charge for year	4,268	2,171	6,439
At 31 March 2021	93,156	59,966	153,122
NET BOOK VALUE			
At 31 March 2021	2,848	4,788	7,636
At 31 March 2020	7,116	4,691	11,807

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. RECEIVABLES

	2021 £	2020 £
Gross arrears of rent and service charges	71,062	57,694
Less: Provision for doubtful debts	<u>(49,502)</u>	<u>(39,960)</u>
<i>Net arrears of rent and service charges</i>	21,560	17,734
Other receivables	63,756	48,697
	<u>85,316</u>	<u>66,431</u>

14. CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	777,840	45,217
Balances held in deposit accounts	<u>-</u>	<u>658,064</u>
	<u>777,840</u>	<u>703,281</u>

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans	107,000	130,215
Trade payables	53,131	58,523
Rent received in advance	32,445	23,304
Other taxation and social security	3,706	-
Other payables	17,117	-
Accruals and deferred income	-	17,143
	<u>213,399</u>	<u>229,185</u>

16. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans	822,642	933,716
	<u>822,642</u>	<u>933,716</u>

17. DEBT ANALYSIS - BORROWINGS

	2021	2020
	£	£
Bank Loans		
Amounts due within one year	107,000	101,000
Amounts due in one year or more but less than two years	111,000	104,000
Amounts due in two years or more but less than five years	271,367	291,038
Amounts due in more than five years	440,275	538,678
	<u>929,642</u>	<u>1,034,716</u>

The Association has a number of bank loans the principal terms of which are as follows:

Lender	Number of Properties Secured	Effective Interest Rate	Maturity (Year)	Variable or Fixed
Co-operative	175	Libor + 0.65%	2029	Variable

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

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

The Association previously moved to a defined contribution scheme but has a net liability for the past service deficit in the defined benefit scheme.

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

The last valuation of the Scheme was performed as at 30 September 2018 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £877m. The valuation revealed a shortfall of assets compared with the value of liabilities of £121m (equivalent to a past service funding level of 89%). A recovery plan is in place to eliminate the past service deficit which runs to 28 February 2022.

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal, then the liability of the withdrawing employer is reapportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

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

	2021	2020
	£	£
Fair value of plan assets	1,291,000	1,151,000
Present value of defined benefit obligation	1,422,000	1,111,000
Surplus / (deficit) in plan	(131,000)	40,000
Unrecognised surplus	-	(40,000)
Defined benefit asset / (liability) recognised	(131,000)	-

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2021 £	2020 £
Defined benefit obligation at the start of period	1,111,000	1,290,000
Expenses	1,000	1,000
Interest expense	26,000	30,000
Contributions by plan participants	-	-
Actuarial losses (gains) due to scheme experience	9,000	(1,000)
Actuarial losses (gains) due to changes in demographic assumptions	-	(7,000)
Actuarial losses (gains) due to changes in financial assumptions	312,000	(166,000)
Benefits paid and expenses	(37,000)	(36,000)
Defined benefit obligation at the end of period	<u>1,422,000</u>	<u>1,111,000</u>

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

	2021 £	2020 £
Fair value of plan assets at start of period	1,151,000	1,143,000
Interest income	27,000	27,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	113,000	(22,000)
Contributions by the employer	37,000	39,000
Benefits paid and expenses	(37,000)	(36,000)
Fair value of plan assets at the end of period	<u>1,291,000</u>	<u>1,151,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £140,000

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2021 £	2020 £
Current service cost	-	-
Expenses	1,000	1,000
Net interest expense	-	3,000
	<u>1,000</u>	<u>4,000</u>
Defined benefit costs recognised in statement of comprehensive income	1,000	4,000

Defined benefit costs recognised in the other comprehensive income

	2021 £	2020 £
Experience on plan assets (excluding amounts included in interest income) - gain/(loss)	113,000	(22,000)
Experience gains and losses arising on plan liabilities - gain/(loss)	(9,000)	1,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain/(loss)	-	7,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain/(loss)	(312,000)	166,000
	<u>(208,000)</u>	<u>152,000</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/(loss)	(208,000)	152,000
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain/(loss)	41,000	(40,000)
	<u>(167,000)</u>	<u>112,000</u>
Total amount recognised in other comprehensive income - gain (loss)	(167,000)	112,000

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2021	2020	2019
	£	£	£
Absolute Return	64,000	71,000	97,000
Alternative Risk Premia	52,000	92,000	64,000
Corporate Bond Fund	97,000	84,000	80,000
Credit Relative Value	37,000	28,000	20,000
Distressed Opportunities	44,000	21,000	19,000
Emerging Markets Debt	52,000	41,000	37,000
Fund of Hedge Funds	-	-	3,000
Global Equity	200,000	158,000	184,000
Opportunistic Credit	35,000	-	-
Infrastructure	72,000	68,000	48,000
Insurance-Linked Securities	27,000	31,000	30,000
Liability Driven Investment	311,000	303,000	406,000
Long Lease Property	30,000	28,000	14,000
Net Current Assets	10,000	9,000	1,000
Over 15 Year Gilts	1,000	15,000	29,000
Private Debt	30,000	23,000	15,000
Property	23,000	21,000	23,000
Risk Sharing	46,000	36,000	33,000
Secured Income	71,000	64,000	40,000
Opportunistic Illiquid Credit	33,000	28,000	-
Liquid Credit	22,000	30,000	-
Total assets	1,291,000	1,151,000	1,143,000

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

Key Assumptions

	2021	2020	2019
Discount Rate	2.2%	2.4%	2.4%
Inflation (RPI)	3.2%	2.6%	3.3%
Inflation (CPI)	2.9%	1.6%	2.3%
Salary Growth	3.9%	2.6%	3.3%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 years (years)
Male retiring in 2020	21.5
Female retiring in 2020	23.4
Male retiring in 2040	22.8
Female retiring in 2040	25

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. DEFERRED INCOME

	Social Housing Grants £	Total £
Capital grants received		
At 1 April 2020	1,798,587	1,798,587
Eliminated on disposal	(7,712)	(7,712)
At 31 March 2021	1,790,875	1,790,875
Amortisation		
At 1 April 2020	639,615	639,615
Amortisation in year	43,669	43,669
Eliminated on disposal	(7,712)	(7,712)
At 31 March 2021	675,572	675,572
Net book value		
At 31 March 2021	1,115,303	1,115,303
At 31 March 2020	1,158,972	1,158,972

This is expected to be released to the Statement of Comprehensive Income in the following years:

	2021 £	2020 £
Amounts due within one year	43,669	39,198
Amounts due in more than one year	1,071,634	1,119,774
	1,115,303	1,158,972

20. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2021 £	2020 £
At 1 April	56	60
Issued in year	1	1
Cancelled in year	(5)	(5)
At 31 March	52	56

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

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. CASH FLOWS

Reconciliation of net cash flow to movement in net debt

	£	2021 £	£	2020 £
Increase in cash	74,559		86,180	
Cashflow from change in net debt	134,289		69,572	
Movement in net debt during the year		208,848		155,752
Net debt at 1 April		(360,650)		(516,402)
Net debt at 31 March		(151,802)		(360,650)

<i>Analysis of changes in net debt</i>	At 01 April 2020 £	Cashflows £	Other Changes £	At 31 March 2021 £
Cash and cash equivalents	703,281	74,559	-	777,840
	703,281	74,559	-	777,840
Debt: Due within one year	(130,215)	134,289	(111,074)	(107,000)
Due after more than one year	(933,716)	-	111,074	(822,642)
Net debt	(360,650)	208,848	-	(151,802)

22. COMMITMENTS UNDER OPERATING LEASES

Other

Expiring in the next year	1,526	744
Expiring later than one year and not later than five years	4,210	-

23 COVID-19

At the time of approving the Financial Statements the United Kingdom is impacted by the Coronavirus pandemic. While the Association's strong financial position means that it is well placed to manage the impact on operations, it continues to monitor the position and update its plans accordingly.

ABRONHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. DETAILS OF ASSOCIATION

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

The Association's principal place of business is Unit 10, Abronhill Shopping Centre, Cumbernauld, G67 3AZ.

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

25. COMMITTEE OF MANAGEMENT MEMBER EMOLUMENTS

Committee of Management members received £0 (2020 - £245) in the year by way of reimbursement of expenses. No remuneration is paid to Committee of Management members in respect of their duties to the Association.

26. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2021 No.	2020 No.
General needs - Built by Association	11	11
General needs - Purchased by Association	211	211
	<u>222</u>	<u>222</u>

27. RELATED PARTY TRANSACTIONS

Members of the Committee of Management are related parties of the Association as defined by Financial Reporting Standard 102.

Any transactions between the Association and any entity with which a Committee of Management member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Committee of Management members (and their close family) were as follows:

	2021 £	2020 £
Rent received from tenants on the Committee of Management and their close family members	<u>21,165</u>	<u>25,836</u>

At the year end total rent arrears owed by the tenant members on the Committee of Management (and their close family) were £0 (2020 - £0).

Members of the Committee of Management who are tenants	3	3
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