



Alexander Sloan
Accountants and Business Advisers

Glasgow West Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2021

Registered Social Landlord No. HEP126

FCA Reference No. 1955R(S)

Scottish Charity No. SC001667

GLASGOW WEST HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Contents

	Page
Members of the Management Committee, Executive and Advisers	1
Report of the Management Committee	2 – 6
Report by the Auditors on corporate governance matters	7
Report of the Auditors	8 -11
Statement of comprehensive income	12
Statement of financial position	13
Statement of cash flows	14
Statement of changes in equity	15
Notes to the financial statements	16 - 37

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

MANAGEMENT COMMITTEE

Joginder Makar	Treasurer
Yushin Toda	
James Michael	Resigned 25/08/2020
Moira Wadsworth	Resigned 25/08/2020
Joe Heaney	Chairperson
Dolina MacNeill	Secretary – Appointed 25/08/2020
Tony Keane	Resigned 25/08/2020
Anne Campbell	
Isobel Gracie	
Susan Mosedale	Vice Chair – Appointed 25/08/2020
Anila Ali	Appointed 25/08/2020
Billy Robertson	Appointed 25/08/2020

EXECUTIVE OFFICERS

Elaine Travers	Chief Executive
Anne Allan	Corporate Director – Retired 09/10/2020
Iain Nicholl	Corporate Director – Appointed 30/09/2020
Jennifer Barrow	Services Director - Appointed 20/01/20
Daniel Wedge	Technical Director – Appointed 20/07/2020

REGISTERED OFFICE

5 Royal Crescent
Glasgow
G3 7SL

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

Quinn Internal Audit Services Ltd
55 Lady Place
Livingston
EH54 6TB

BANKERS

Clydesdale Bank
326 Byres road
Glasgow
G12 8AN

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

GLASGOW WEST 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 registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No. 1955R(S)), the Scottish Housing Regulator as a registered social landlord (No. HEP126) under the Housing (Scotland) Act 2010 and as is a registered Scottish Charity with the charity number SC001667.

Principal Activities

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

Review of Business and Future Developments

As we emerge from the most historic of years, we reflect on 2020/21 with mixed emotions: on the one hand a year marred by great sadness at the lives lost to covid-19; and on the other hand a year of inspiration and innovation. The impact of the global pandemic has without question been wide reaching, and with Government restrictions in place for the majority of the year, our resources have been targeted towards delivering tailored services to meet the evolving landscape, and to supporting the most vulnerable in our community. Now, with the roll-out of the vaccination programme, and an easing of Government restrictions, we are able to look forward with cautious optimism to building back services that are fit for our future, as we continue our journey towards *shaping thriving communities*.

Members of the Management Committee are satisfied with the continued steady performance and state of affairs. Net assets stand at £36.5m and the surplus for the year has been transferred to reserves to fund the Major Repairs programme. Key assumptions collated in March 2021 in preparation of the 30-year cashflow reflect the impact of covid-19 on all aspects of our operational activities (e.g. bad debts assumed to increase significantly in the first 2 years); and include provision for works to mitigate the H&S risks identified within the deck-access properties at Anderston. Whilst our cash position is strong and demonstrates sufficient cushioning to cope with the impact of Covid-19 without any reduction in service delivery, assumptions will remain under close scrutiny as the risk of resurgence of the virus remains, and with the effects of the pandemic likely to be experienced for years to come.

In these unprecedented times rent affordability is of critical importance, and although we were encouraged that our rents are affordable for 100% of Glasgow West households, we were nonetheless concerned at the unpredictability of the economy; and, after listening carefully to tenant feedback, projections were reviewed, and the rent increase for 2021/22 moderated from the proposed average 1.97% to 1.5%. In our other core business areas of repairs and void relet times, recovery will be influenced by the relaxation of Government restrictions, and, together with our robust strategies, will ensure our performance leadership objective remains achievable within a reasonable timeframe.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

Review of Business and Future Developments (Contd.)

Efficiencies continue to be delivered through rigorous procurement processes; and enhanced data management systems and refined procedures eliminate waste and duplication.

In our asset management services the focus has been predominately on emergency repairs, and tenant and resident safety; with wider investment restricted primarily to works in void properties. By the end of March 2021, 60% of our homes achieved the Scottish Housing Quality Standard (SHQS), with the dip in performance (from 90% at March 2020) due primarily to the integration of energy efficiency criteria (ESSH) to the SHQS assessment, and to the H&S issues with the deck access properties. Prudent financial planning ensures capacity for investment remains strong, and the appointment of specialist project managers during the year will ensure priority focus on driving forward the £25m investment programme planned for the next 5 years, subject to favourable market conditions. After many years of uncertainty, there is positive news for our development projects: Dover Street is on site; planning permission has been obtained for the Burnbank House project; and the Corunna Street planning application is back on track following extensive covid related delays at Glasgow City Council. Combined, these projects will provide around 90 much needed homes for social rent in our local community.

Robust risk management and emergency contingency planning processes have ensured rapid responses to the evolving covid-19 guidance, with the smooth transition to online meetings conserving decision making across operations and governance and ensuring progress of scheduled business. New Rules based on the SFHA Charitable Model Rules (Scotland) 2020 were approved at a Special General Meeting in 2020, and we are looking forward to welcoming new Committee Members this year, following a particularly successful Committee Training Forum. We were disappointed when our regulatory status for 2021/22 was set to “compliant (under review)” and we are fully engaging with the Scottish Housing Regulator to provide the necessary levels of assurance around our management of the H&S risks at the deck access properties, and our associated governance arrangements.

Another challenging and successful year is attributed to ongoing stakeholder engagement, the broad range of skills and experience of Committee Members, and the well-led, highly competent and service driven staff. Although the challenges of covid are not over yet, we have a sound basis for delivering GWA's vision and mission through sustainable corporate strategies supporting and delivering Service Enhancement, Robust Governance and Optimum Performance.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

Management Committee and Executive Officers

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

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

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

Statement of Management Committee's Responsibilities

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

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

Statement on Internal Financial Control

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

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

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

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

A resolution to reappoint the Auditors, Alexander Sloan, Accountants and Business Advisers, will be proposed at the Annual General Meeting.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

By order of the Management Committee

Dolina MacNeill
Secretary
15 June 2021

GLASGOW HOUSING ASSOCIATION LIMITED

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

In addition to our audit of the financial statements, we have reviewed your statement on page 5 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 5 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 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 Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW
15 JUNE 2021



GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

Opinion

We have audited the financial statements of Glasgow West 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 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 Management Committee 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.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLASGOW WEST 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 Management Committee

As explained more fully in the statement of Management Committee's responsibilities as set out on page 4, the Management Committee 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 Management Committee 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 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

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:

GLASGOW WEST HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLASGOW WEST 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 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 management 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;
- reviewing the Association's Assurance Statement and associated supporting information; and
- reviewing correspondence with the Scottish Housing Regulator.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLASGOW WEST 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
15 JUNE 2021



GLASGOW WEST HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021	2020
		£	£
Revenue	2	8,055,846	7,720,657
Operating costs	2	5,582,257	6,015,652
OPERATING SURPLUS		2,473,589	1,705,005
Gain on sale of housing stock	7	235,711	82,130
Interest receivable and other income		153,697	251,703
Interest payable and similar charges	8	(20,904)	(37,070)
Revaluation of investment properties		76,500	-
Other Finance income/(charges)	10	6,000	(25,000)
		451,004	271,763
SURPLUS FOR THE YEAR	9	2,924,593	1,976,768
Other comprehensive income			
Actuarial gains/(losses) on defined benefit pension plan	19	(800,000)	1,085,000
TOTAL COMPREHENSIVE INCOME		2,124,593	3,061,768

The results relate wholly to continuing activities.

The notes on pages 16 to 37 form an integral part of these financial statements.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Notes	£	2021 £	£	2020 £
NON-CURRENT ASSETS					
Housing properties - depreciated cost	11		37,036,728		37,044,373
Other tangible assets	11		5,846		18,732
			<u>37,042,574</u>		<u>37,063,105</u>
INVESTMENTS					
Investment in subsidiaries	12	1		1	
Investment properties	12	380,500		304,000	
			<u>380,501</u>		<u>304,001</u>
CURRENT ASSETS					
Receivables	13	525,581		473,362	
Investments	14	25,388,902		24,488,494	
Cash and cash equivalents	15	3,836,440		1,114,242	
			<u>29,750,923</u>	<u>26,076,098</u>	
CREDITORS: Amounts falling due within one year	16	(2,258,510)		(1,260,093)	
NET CURRENT ASSETS			<u>27,492,413</u>		<u>24,816,005</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			64,915,488		62,183,111
CREDITORS: Amounts falling due after more than one year	17		(1,632,585)		(1,778,326)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	19	(661,000)		-	
			<u>(661,000)</u>		<u>-</u>
DEFERRED INCOME					
Social housing grants	20	(26,015,399)		(25,918,925)	
Other grants	20	(27,537)		(31,472)	
			<u>(26,042,936)</u>	<u>(25,950,397)</u>	
NET ASSETS			<u>36,578,967</u>		<u>34,454,388</u>
EQUITY					
Share capital	21		139		153
Revenue reserves			37,239,828		34,454,235
Pension reserves			(661,000)		-
			<u>36,578,967</u>		<u>34,454,388</u>

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 15 June 2021.

Committee Member

Committee Member

Secretary

The notes on pages 16 to 37 form an integral part of these financial statements.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021	2020
		£	£
Surplus for the Year		2,924,593	1,976,768
<i>Adjustments for non-cash items:</i>			
Depreciation of tangible fixed assets	11	1,142,775	1,208,635
Amortisation of capital grants	20	(912,060)	(912,767)
Gain on disposal of tangible fixed assets		(277,153)	(164,261)
Non-cash adjustments to pension provisions		(139,000)	(79,000)
Change in market value of investments		(76,500)	-
Share capital written off	21	(18)	(10)
		(261,956)	52,597
Interest receivable		(153,697)	(251,703)
Interest payable	8	20,904	37,070
Operating cash flows before movements in working capital		2,529,844	1,814,732
Change in debtors		(82,541)	(101,799)
Change in creditors		996,707	49,691
		914,166	(52,108)
Net cash inflow from operating activities		3,444,010	1,762,624
Investing Activities			
Acquisition and construction of properties		(1,161,091)	(539,561)
Purchase of other fixed assets		-	(14,539)
Social housing grant received		1,070,450	342,143
Social housing grant repaid		(35,529)	(21,914)
Changes on short term deposits with banks		(900,408)	(1,513,368)
Proceeds on disposal of housing properties		316,000	139,674
Proceeds on disposal of other tangible assets		-	82,131
Net cash outflow from investing activities		(710,578)	(1,525,434)
Financing Activities			
Interest received on cash and cash equivalents		153,697	251,703
Interest paid on loans		(20,904)	(37,070)
Loan principal repayments		(144,031)	(304,515)
Share capital issued	21	4	4
Net cash outflow from financing activities		(11,234)	(89,878)
Increase in cash	22	2,722,198	147,312
Opening cash & cash equivalents		1,114,242	966,930
Closing cash & cash equivalents		3,836,440	1,114,242
Cash and cash equivalents as at 31 March			
Cash		3,836,440	1,114,242
		3,836,440	1,114,242

The notes on pages 16 to 37 form an integral part of these financial statements.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2021

	Share Capital	Strathclyde Pension Reserve	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£	£
Balance as at 1 April 2019	159	-	(1,164,000)	32,556,467	31,392,626
Issue of Shares	4	-	-	-	4
Cancellation of Shares	(10)	-	-	-	(10)
Other comprehensive income	-	60,000	1,025,000	-	1,085,000
Other movements	-	(60,000)	139,000	(79,000)	-
Surplus for the year	-	-	-	1,976,768	1,976,768
Balance as at 31 March 2020	153	-	-	34,454,235	34,454,388
Balance as at 1 April 2020	153	-	-	34,454,235	34,454,388
Issue of Shares	4	-	-	-	4
Cancellation of Shares	(18)	-	-	-	(18)
Other comprehensive income	-	28,000	(828,000)	-	(800,000)
Other movements	-	(28,000)	167,000	(139,000)	-
Surplus for the year	-	-	-	2,924,593	2,924,593
Balance as at 31 March 2021	139	-	(661,000)	37,239,828	36,578,967

The notes on pages 16 to 37 form an integral part of these financial statements.

GLASGOW WEST 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.

Basis of Consolidation

The Association has obtained exemption from the Financial Conduct Authority from producing Consolidated Financial Statements as provided by Section 99 of the Co-operative and Community Benefit Societies Act 2014. The financial statements for Glasgow West Housing Association Limited present information about it as an individual undertaking and not about the group.

Revenue

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 participates in the Strathclyde Pension Fund a multi-employer defined benefit scheme. 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 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 Management Committee 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.

GLASGOW WEST 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>
Roof	Over 50 years
Structure	Over 50 years
Cladding	Over 40 years
Central Heating System	Over 30 years
Doors	Over 30 years
Rewiring	Over 30 years
Bathrooms	Over 25 years
Windows	Over 25 years
Boilers	Over 15 years
Kitchens	Over 15 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	4%
Fixtures and Fittings	20%
Computer Equipment	33%

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.

Sales Of Housing Properties

First tranche shared ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the statement of recommended practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the statement of comprehensive income.

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

Taxation

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

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Leases/Leased Assets

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

Works to Existing Properties

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

Development Interest

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

Service Charge Sinking Funds

The Association receives a service charge from owner occupiers to fund future planned maintenance, cyclical maintenance and car park costs. In accordance with the Statement of Recommended Practice the balance of unspent service income is included as a liability where amounts are repayable or contributions are reduced.

Property Development Cost

The proportion of the development cost of shared ownership properties expected to be disposed of as a first tranche sale is held in current assets until it is disposed of. The remaining part of the development cost is treated as a non-current asset. Surpluses made on the disposal of first tranche sales are taken to the Statement of Comprehensive Income.

Property developments that are intended for resale are included in current assets until disposal.

VAT

The Association is VAT registered but a large proportion of its income is exempt for VAT purposes. As a result most of the VAT paid is not recovered and therefore expenditure is shown inclusive of VAT.

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.

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

b) Identification of cash generating units

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

c) Pension Liability

The Association participates 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.

Accounting entries in respect of transactions regarding the Strathclyde Pension Scheme within the financial statements are based on the actuary's report on the scheme. The actuary has a number of assumptions in their calculations and details of any key assumptions are included within the notes to the financial statements.

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) Costs of shared ownership

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

e) 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.

f) Allocation of share of assets and liabilities for multi employer schemes

Judgements in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi employer pension schemes and estimations performed by the Pensions Trust in respect of the scottish Housing Association Pension Scheme.

GLASGOW WEST 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

	Notes	2021		2020	
		Turnover £	Operating costs £	Operating surplus / (deficit) £	Operating surplus / (deficit) £
Affordable letting activities	3	7,684,595	5,188,060	2,496,535	1,705,452
Other Activities	4	371,251	394,197	(22,946)	(447)
Total		8,055,846	5,582,257	2,473,589	1,705,005

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Shared Ownership £	2021 Total £	2020 Total £
Revenue from Lettings				
Rent receivable net of service charges	6,615,089	5,645	6,620,734	6,460,006
Service charges receivable	228,418	-	228,418	196,979
Gross income from rent and service charges	6,843,507	5,645	6,849,152	6,656,985
Less: Rent losses from voids	76,617	-	76,617	38,723
Income from rents and service charges	6,766,890	5,645	6,772,535	6,618,262
Grants released from deferred income	912,060	-	912,060	912,767
Total turnover from affordable letting activities	7,678,950	5,645	7,684,595	7,531,029
Expenditure on affordable letting activities				
Management and maintenance administration costs	2,517,178	-	2,517,178	2,721,880
Service costs	243,785	-	243,785	279,823
Planned and cyclical maintenance, including major repairs	443,876	-	443,876	703,583
Reactive maintenance costs	792,938	-	792,938	910,543
Bad Debts - rents and service charges	60,394	-	60,394	35,608
Depreciation of affordable let properties	1,127,400	2,489	1,129,889	1,174,140
Operating costs of affordable letting activities	5,185,571	2,489	5,188,060	5,825,577
Operating surplus on affordable letting activities	2,493,379	3,156	2,496,535	1,705,452
2020	1,700,745	4,707		

GLASGOW WEST 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 income	Total Turnover	Other operating costs	Operating surplus / (deficit) 2021	Operating surplus / (deficit) 2020
	£	£	£	£	£	£
Investment property activities	-	47,533	47,533	18,083	29,450	31,673
Uncapitalised development administration costs	-	-	-	65,274	(65,274)	(59,402)
Other activities	2,425	321,293	323,718	310,840	12,878	27,282
Total From Other Activities	2,425	368,826	371,251	394,197	(22,946)	(447)
2020	2,755	186,873	189,628	190,075	(447)	

GLASGOW WEST 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 Management Committee, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	<u>80,309</u>	<u>77,475</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>7,950</u>	<u>7,689</u>
Emoluments payable to Chief Executive (excluding pension contributions)	80,309	77,475
Pension contributions paid on behalf of the Chief Executive	<u>7,950</u>	<u>7,689</u>
Total emoluments payable to the Chief Executive	<u>88,259</u>	<u>85,164</u>
Total emoluments paid to key management personnel	<u>235,527</u>	<u>182,945</u>

The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-

	Number	Number
£80,001 to £90,000	<u>1</u>	<u>1</u>

6. EMPLOYEE INFORMATION

	2021 No.	2020 No.
Average monthly number of full time equivalent persons employed during the year	<u>54</u>	<u>56</u>
Average total number of employees employed during the year	<u>58</u>	<u>61</u>
Staff costs were:	£	£
Wages and salaries	1,663,355	1,820,272
National insurance costs	158,329	160,842
Pension costs	144,946	153,057
Temporary, agency and seconded staff	72,403	41,568
	<u>2,039,033</u>	<u>2,175,739</u>

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

7. GAIN ON SALE OF HOUSING STOCK

	2021 £	2020 £
Sales proceeds	316,000	238,000
Cost of sales	<u>80,289</u>	<u>155,870</u>
Gain on sale of housing stock	<u>235,711</u>	<u>82,130</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £	2020 £
On bank loans and overdrafts	<u>20,904</u>	<u>37,070</u>

9. SURPLUS FOR THE YEAR

	2021 £	2020 £
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	1,142,775	1,208,635
(Loss) on component disposals	-	384
Auditors' remuneration - audit services	14,340	13,980
Gain on sale of non-current assets	<u>(235,711)</u>	<u>(82,131)</u>

10. OTHER FINANCE INCOME / (CHARGES)

	2021 £	2020 £
Net interest on pension obligations	<u>6,000</u>	<u>(25,000)</u>

GLASGOW WEST 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 £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
COST				
At 1 April 2020	59,006,961	2,699,937	124,487	61,831,385
Additions	71,203	1,089,888	-	1,161,091
Disposals	(37,290)	-	(33,649)	(70,939)
Transfers	-	-	-	-
At 31 March 2021	<u>59,040,874</u>	<u>3,789,825</u>	<u>90,838</u>	<u>62,921,537</u>
DEPRECIATION				
At 1 April 2020	24,726,720	-	60,292	24,787,012
Charge for Year	1,127,400	-	2,489	1,129,889
Transfers	-	-	-	-
Disposals	(13,921)	-	(18,171)	(32,092)
At 31 March 2021	<u>25,840,199</u>	<u>-</u>	<u>44,610</u>	<u>25,884,809</u>
NET BOOK VALUE				
At 31 March 2021	<u>33,200,675</u>	<u>3,789,825</u>	<u>46,228</u>	<u>37,036,728</u>
At 31 March 2020	<u>34,280,241</u>	<u>2,699,937</u>	<u>64,195</u>	<u>37,044,373</u>
	2021		2020	
Expenditure on Existing Properties	<i>Component replacement</i>	<i>Improvement</i>	<i>Component replacement</i>	<i>Improvement</i>
	£	£	£	£
Amounts capitalised	71,203	1,089,888	24,738	514,823
Amounts charged to the statement of comprehensive income	-	1,236,814	57,807	1,578,282

All land and housing properties are heritable.

Additions to housing properties include capitalised development administration costs of £nil (2020 - £nil).

The Association's lenders have standard securities over housing property with a carry value of £9,185,717 (2020 - £9,439,093).

GLASGOW WEST 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 £	Computer Equipment £	Total £
COST				
At 1 April 2020	512,423	10,011	49,948	572,382
Additions	-	-	-	-
Eliminated on disposals	-	-	-	-
At 31 March 2021	<u>512,423</u>	<u>10,011</u>	<u>49,948</u>	<u>572,382</u>
DEPRECIATION				
At 1 April 2020	512,423	7,539	33,688	553,650
Charge for year	-	1,473	11,413	12,886
Eliminated on disposals	-	-	-	-
At 31 March 2021	<u>512,423</u>	<u>9,012</u>	<u>45,101</u>	<u>566,536</u>
NET BOOK VALUE				
At 31 March 2021	<u>-</u>	<u>999</u>	<u>4,847</u>	<u>5,846</u>
At 31 March 2020	<u>-</u>	<u>2,472</u>	<u>16,260</u>	<u>18,732</u>

12. FIXED ASSET INVESTMENTS

	2021 £	2020 £
Subsidiary undertaking	1	1
Investment properties	380,500	304,000
	<u>380,501</u>	<u>304,001</u>

Glasgow West Housing Association Limited has the following wholly owned subsidiary undertaking. The registered office of the subsidiary is 5 Royal Crescent, Glasgow, G3 7SL. The relationship between the Association and its subsidiary is set out in an independence agreement between both parties.

	2021		2020	
	Reserves £	Profit / (Loss) £	Reserves £	Profit / (Loss) £
Glasgow West Enterprises Limited	<u>33,200</u>	<u>(42,067)</u>	<u>75,267</u>	<u>63,550</u>

In the opinion of the Management Committee the aggregate value of the assets of the subsidiary is not less than the aggregate of the amounts at which those assets are stated in the Association's balance sheet.

During the year, Glasgow West Housing Association Limited received management fees from Glasgow West Enterprises Limited amounting to £310,840 (2020 - £115,691).

Glasgow West Housing Association Limited incurred expenditure on behalf of Glasgow West Enterprises Limited amounting to £145,097 (2020 - £230,104).

Glasgow West Enterprises Limited collected receipts on behalf of Glasgow West Housing Association Limited amounting to £124,153 (2020 - £12,558).

Glasgow West Housing Association Limited collected receipts on behalf of Glasgow West Enterprises Limited amounting to £Nil (2020 - £Nil).

Glasgow West Enterprises Limited repaid £512,242 (2020 - £237,000) to Glasgow West Housing Association Limited.

Glasgow West Enterprises Limited agreed to donate £Nil (2020 - £63,550) to Glasgow West Housing Association Limited, which was paid after the year end.

The amount due to Glasgow West Housing Association Limited from Glasgow West Enterprises Limited at the statement of financial position date was £22,941 (2020 - £203,398).

Investment Properties

	2021 £	2020 £
At 1 April 2020 and 31 March 2021	<u>380,500</u>	<u>304,000</u>

Commercial properties were valued by an independent professional adviser DVS on 31 March 2021 in accordance with the appraisal and valuation manual of the RICS. Commercial properties are subject to valuation at least every five years.

GLASGOW WEST 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	164,554	107,379
Less: Provision for doubtful debts	(118,659)	(68,076)
<i>Net arrears of rent and service charges</i>	45,895	39,303
Social housing grant receivable	-	30,322
Other receivables	456,747	200,339
Amounts due from group undertaking	22,939	203,398
	<u>525,581</u>	<u>473,362</u>

14. CURRENT ASSET INVESTMENTS

	2021	2020
	£	£
Short term deposits	25,388,902	24,488,494
	<u>25,388,902</u>	<u>24,488,494</u>

15. CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash at bank and in hand	3,836,440	1,114,242
	<u>3,836,440</u>	<u>1,114,242</u>

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

16. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans	145,243	143,533
Trade payables	975,014	172,147
Rent received in advance	515,843	467,960
Other taxation and social security	45,805	47,926
Other payables	245,443	90,807
Accruals and deferred income	331,162	337,720
	<u>2,258,510</u>	<u>1,260,093</u>

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

	2021	2020
	£	£
Bank loans	1,632,585	1,778,326
	<u>1,632,585</u>	<u>1,778,326</u>

18. DEBT ANALYSIS - BORROWINGS

	2021	2020
	£	£
Bank Loans		
Amounts due within one year	145,243	143,533
Amounts due in one year or more but less than two years	145,243	143,533
Amounts due in two years or more but less than five years	435,728	430,599
Amounts due in more than five years	1,051,614	1,204,194
	<u>1,777,828</u>	<u>1,921,859</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
RBS	60	1.9%	2034	Variable
Nationwide Building Society	39	1.3%	2032	Variable
Scottish Building Society	31	0.5%	2029	Variable

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

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

19. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

Glasgow West Housing Association Limited participates 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 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	6,154,000	5,652,000
Present value of defined benefit obligation	6,815,000	5,649,000
Surplus / (deficit) in plan	(661,000)	3,000
Unrecognised surplus	-	(3,000)
Defined benefit asset / (liability) to be recognised	(661,000)	-

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

19. 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	5,649,000	6,132,000
Expenses	6,000	5,000
Interest expense	130,000	142,000
Actuarial losses (gains) due to scheme experience	34,000	234,000
Actuarial losses (gains) due to changes in demographic assumptions	-	(35,000)
Actuarial losses (gains) due to changes in financial assumptions	1,257,000	(730,000)
Benefits paid and expenses	(261,000)	(99,000)
Defined benefit obligation at the end of period	<u>6,815,000</u>	<u>5,649,000</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	5,652,000	4,968,000
Interest income	132,000	117,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	458,000	497,000
Contributions by the employer	173,000	169,000
Benefits paid and expenses	(261,000)	(99,000)
Fair value of plan assets at the end of period	<u>6,154,000</u>	<u>5,652,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £590,000.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2021 £	2020 £
Expenses	6,000	5,000
Net interest expense	-	25,000
	<u>6,000</u>	<u>30,000</u>
Defined benefit costs recognised in statement of comprehensive income	<u>6,000</u>	<u>30,000</u>

Defined benefit costs recognised in the other comprehensive income

	2021 £	2020 £
Experience on plan assets (excluding amounts included in interest income) - gain/(loss)	458,000	497,000
Experience gains and losses arising on plan liabilities - gain/(loss)	(34,000)	(234,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain/(loss)	-	35,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain/(loss)	(1,257,000)	730,000
	<u>(833,000)</u>	<u>1,028,000</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/(loss)	<u>(833,000)</u>	<u>1,028,000</u>
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain/(loss)	5,000	(3,000)
	<u>(828,000)</u>	<u>1,025,000</u>
Total amount recognised in other comprehensive income - gain/(loss)	<u>(828,000)</u>	<u>1,025,000</u>

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2021	2020	2019
	£	£	£
Absolute Return	303,000	347,000	421,000
Alternative Risk Premia	247,000	453,000	278,000
Corporate Bond Fund	464,000	413,000	348,000
Credit Relative Value	177,000	136,000	86,000
Distressed Opportunities	210,000	103,000	85,000
Emerging Markets Debt	248,000	201,000	159,000
Fund of Hedge Funds	-	-	14,000
Global Equity	952,000	777,000	799,000
Index Linked All Stock Gilts	2,000	-	-
Infrastructure	344,000	333,000	208,000
Insurance-Linked Securities	129,000	152,000	129,000
Liability Driven Investment	1,480,000	1,488,000	1,768,000
Long Lease Property	143,000	138,000	60,000
Net Current Assets	46,000	43,000	5,000
Over 15 Year Gilts	3,000	72,000	128,000
Private Debt	145,000	112,000	64,000
Property	110,000	105,000	99,000
Risk Sharing	220,000	179,000	144,000
Secured Income	338,000	314,000	173,000
Opportunistic Illiquid Credit	158,000	138,000	-
Opportunistic Credit	168,000	-	-
Liquid Credit	106,000	148,000	-
	<u>6,154,000</u>	<u>5,652,000</u>	<u>4,968,000</u>
Total assets	6,154,000	5,652,000	4,968,000

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%	2.3%
Inflation (RPI)	3.3%	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		

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

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

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme

The Association operates a defined benefit scheme as an admitted body under the Strathclyde Pension Fund, the assets of which are held in a separate trustee administered fund.

The administering authority has responsibility for the management of the Fund. As most of the Fund's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the fund's assets. In order to mitigate this risk, the Fund holds a diverse investment portfolio with a range of investment managers.

The following figures are prepared by the Actuaries in accordance with their understanding of FRS 102 and Guidance Note 36: Accounting for Retirement Benefits under FRS 102 issued by the Institute and Faculty of Actuaries.

Principal Actuarial Assumptions

Assumptions as at 31 March 2021	2021 %p.a.	2020 %p.a.	2019 %p.a.
Pension Increase Rate (CPI)	2.9%	1.9%	2.5%
Salary Increase Rate	3.6%	3.0%	3.7%
Discount Rate	2.0%	2.3%	2.4%

Members of the Scheme

	2021 No.	2020 No.	2019 No.
Employee members	8	9	9
Pensioners	4	3	3
	<u>12</u>	<u>12</u>	<u>12</u>

Expected Return on Assets

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period as follows:

Asset Class	2021 % p.a.	2020 % p.a.	2019 % p.a.
Equities	66%	59%	64%
Bonds	23%	26%	24%
Property	9%	13%	10%
Cash	2%	2%	2%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

Mortality Rates

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2016 model with an allowance for smoothing of recent mortality experience and long term rates of 1.5% p.a. for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males (Years)	Females (Years)
Current Pensioners	19.8	22.6
Future Pensioners	21.2	24.7

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme (continued)

Net Pension Liability	2021	2020
	£	£
Fair value of employer's assets	2,918,000	2,358,000
Present value of scheme liabilities	(2,918,000)	(2,358,000)
	<u>-</u>	<u>-</u>

Reconciliation of fair value of employer assets

	2021	2020
	£	£
Opening fair value of employer assets	2,358,000	2,626,000
Expected return on assets	59,000	64,000
Contributions by members	14,000	15,000
Contributions by the employer	52,000	53,000
Actuarial gains/(losses)	462,000	(177,000)
Estimated benefits paid	(42,000)	(38,000)
Surplus on assets recognised/(not recognised)	15,000	(185,000)
	<u>2,918,000</u>	<u>2,358,000</u>

Reconciliation of defined benefit obligations

	2021	2020
	£	£
Opening defined benefit obligation	2,358,000	2,626,000
Current service cost	84,000	113,000
Interest cost	55,000	64,000
Contributions by members	14,000	15,000
Actuarial gains / (losses)	449,000	(422,000)
Estimated benefits paid	(42,000)	(38,000)
	<u>2,918,000</u>	<u>2,358,000</u>

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme (continued)

Analysis of amount charged to the statement of comprehensive income

	2021 £	2020 £	2019 £
Charged to operating costs:			
Service cost	84,000	113,000	97,000
	<u>84,000</u>	<u>113,000</u>	<u>97,000</u>
Charged to other finance costs / (income)			
Expected return on employer assets	(59,000)	(64,000)	(67,000)
Interest on pension scheme liabilities	55,000	64,000	62,000
	<u>(4,000)</u>	<u>-</u>	<u>(5,000)</u>
Net charge to the statement of comprehensive income	<u>80,000</u>	<u>113,000</u>	<u>92,000</u>

Actuarial gain / (loss) recognised in other comprehensive income

	2021 £	2020 £	2019 £
Actuarial gain/(loss) recognised in year	13,000	245,000	(147,000)
Restriction on surplus	15,000	(185,000)	19,000
Cumulative actuarial gains	<u>28,000</u>	<u>60,000</u>	<u>(128,000)</u>

Analysis of projected amount to be charged to the statement of comprehensive income for the year ended 31 March 2022

	£	% of pay
Projected current service cost	112,000	(49.9)
Interest on obligation	59,000	(26.3)
Expected return on plan assets	(62,000)	27.7
	<u>109,000</u>	<u>(48.5)</u>

Contributions made by the Association for the year ended 31 March 2022 are estimated to be approximately £15,000.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

20. DEFERRED INCOME

	Social Housing Grants £	Non Housing Grants £	Total £
Capital grants received			
At 1 April 2020	48,210,795	98,358	48,309,153
Additions in the year	1,040,128	-	1,040,128
Eliminated on disposal	(66,480)	-	(66,480)
At 31 March 2021	<u>49,184,443</u>	<u>98,358</u>	<u>49,282,801</u>
Amortisation			
At 1 April 2020	22,291,870	66,886	22,358,756
Amortisation in year	908,125	3,935	912,060
Eliminated on disposal	(30,951)	-	(30,951)
At 31 March 2021	<u>23,169,044</u>	<u>70,821</u>	<u>23,239,865</u>
Net book value			
At 31 March 2021	<u>26,015,399</u>	<u>27,537</u>	<u>26,042,936</u>
At 31 March 2020	<u>25,918,925</u>	<u>31,472</u>	<u>25,950,397</u>

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

	2021 £	2020 £
Amounts due within one year	912,060	912,767
Amounts due in more than one year	25,130,876	25,037,630
	<u>26,042,936</u>	<u>25,950,397</u>

21. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2021 £	2020 £
At 1 April	153	159
Issued in year	4	4
Cancelled in year	(18)	(10)
At 31 March	<u>139</u>	<u>153</u>

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.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

22. CASH FLOWS

Reconciliation of net cash flow to movement in net funds

	£	2021 £	£	2020 £
Increase in cash	2,722,198		147,312	
Change in liquid resources	900,408		1,513,368	
Cashflow from change in net debt	144,031		304,515	
		<u>3,766,637</u>		<u>1,965,195</u>
Movement in net funds in the year				
Net funds at 1 April		23,680,877		21,715,682
Net funds at 31 March		<u>27,447,514</u>		<u>23,680,877</u>

Analysis of changes in net funds

	01 April 2020 £	Cashflows £	Changes £	31 March 2021 £
Cash and cash equivalents	1,114,242	2,722,198	-	3,836,440
Liquid resources	24,488,494	900,408	-	25,388,902
Debt: Due within one year	(143,533)	144,031	(145,741)	(145,243)
Due after more than one year	(1,778,326)	-	145,741	(1,632,585)
Net funds	<u>23,680,877</u>	<u>3,766,637</u>	<u>-</u>	<u>27,447,514</u>

23. CAPITAL COMMITMENTS

	2021 £	2020 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	<u>517,321</u>	<u>139,373</u>

The above commitments will be financed by a mixture of public grant, private finance and the Association's own resources.

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 5 Royal Crescent, Glasgow, G3 7SL.

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

25. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £9 (2020 - £66) in the year by way of reimbursement of expenses. No remuneration is paid to members in respect of their duties to the Association.

GLASGOW WEST HOUSING ASSOCIATION LIMITED

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

26. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2021 No.	2020 No.
General Needs - New Build	228	228
Shared ownership	2	2
General Needs - Rehabilitation	1,257	1,260
	<u>1,487</u>	<u>1,490</u>

27. RELATED PARTY TRANSACTIONS

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

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

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

	2021 £	2020 £
Rent received from tenants on the Management Committee and their close family members	<u>31,448</u>	<u>37,403</u>
Factoring charges received from factored owners on the Management Committee and their close family members	<u>591</u>	<u>677</u>

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

At the year end total factoring arrears owed by owner occupiers on the Management Committee (and their close family) were £Nil (2020 - £Nil).

Members of the Management Committee who are tenants	7	8
Members of the Management Committee who are owner occupiers	1	1