West of Scotland Housing Association Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2021

Registered Housing Association No. HEP201

Scottish Charity Number: SC018486

Co- operative and Community Benefit Societies Registered Number 1828R(S)

WEST OF SCOTLAND HOUSING ASSOCIATION LIMITED

Report and Financial Statements for the year ended 31 March 2021

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Registration Information

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registration Number 1828R(S)
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered Number HEP201
Scottish Charity Number	SC018486

Members of the Board

Kelly Adams	(Chair)
Irene Campbell	(Vice Chair)
Elaine Davidson	
Ryan Docherty	Resigned 19/05/21
Nick Farrell	
George Kpodo	
Christine Musasa	Appointed 30/09/20
John Muir	Appointed 30/09/20
Paul McCandlish	Resigned 18/11/20
Derek McGowan	
Paul McNeil	
Clare Newton	Resigned 23/04/21
Lorraine Preston	Resigned 18/05/20
Anne Reid	
John Shearer	Resigned 28/04/21
Ruth Simpson	

Executive Officers

Brian Gannon	Chief Executive Officer
Jennifer Cairns	Director of Corporate Services (appointed 27 May 2020)
Robert Campbell	Director of Housing and Community Services (appointed 4 May 2020)
Andrew Kubski	Director of Development and Asset Management
Colin MacCallum	Director of Finance (resigned 30 June 2021)
Donna Paton	Director of Finance (appointed 7 June 2021)

Registered Office

Camlachie House
40 Barrowfield Drive
Glasgow
G40 3QH

External Auditor

Chiene + Tait LLP
Chartered Accountants & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Internal Auditor

BDO LLP
4 Atlantic Quay
70 York Street
Glasgow
G2 8JX

Banker

Barclays Bank PLC
1st Floor
Aurora House
120 Bothwell Street
Glasgow
G2 7JT

Solicitor

Harper McLeod
The Ca' d'Oro
45 Gordon Street
Glasgow
G1 3PE

Report of the Board of Management

The Board of Management (Board) presents its report and the audited financial statements for the year ending 31 March 2021.

Legal Status

West of Scotland Housing Association is a registered non-profit making organisation under the Co-operative and Community Benefits Societies Act 2014 No 1828R(S). The Association is a registered Scottish charity, No SC018486.

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefits Society, The Office of the Scottish Charities Regulator (OSCR) as a charity and the Scottish Housing Regulator as a Registered Social Landlord.

Principal Activities

The principal activity of West of Scotland Housing Association is to provide for the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through the provision, construction, improvement and management of land and accommodation and the provision of care.

Strategic Aims and Objectives

The Association's Vision, Values and Strategic Aims reflect West of Scotland Housing Association's priorities operating as an independent organisation delivering services across several local authority areas. The Association's strategic aims are shown below:

- Deliver outstanding service to customers in all our communities
- Actively manage our assets and develop new homes to meet local needs
- Be the best we can be for our staff and customers
- Work with others to improve tenants' lives
- Be well governed and financially strong.

We continue to work with partner organisations and draw on our own resources to ensure our objectives are delivered in a way that meets our mission statement:

We put customers at the heart of everything we do. We do this by listening to their views and caring about what matters to them. We take a flexible and innovative approach when providing homes and services that help individuals and communities thrive.

Overview

West of Scotland HA, like most organisations across the world, faced one of our biggest ever challenges during 2020/21 with the Covid Pandemic. As of 18th March 2020, we closed our office and had all staff, who could, work from home. This meant that we had to drive forward with our Digital Transformation agenda at a much faster rate, however, as a result we were able to continue to deliver most of our services to our customers. Some services such as reactive repairs were restricted to comply with government guidelines and our office remained closed to our customers for the remainder of the year. We were unable to achieve all of our Key Performance Targets as a result of Covid but still saw some improvement in areas such as void management once we were able to recommence the letting of vacant properties.

Despite Covid, we were pleased to be able to deliver all our Key Business Objectives in our Corporate Business Plan 2020-2025 as noted below:

Overview (cont'd)

Key Business Objectives:

- Improving our governance & culture
- Becoming more efficient/reducing costs
- Digital transformation of WSHA
- Our response to a climate emergency
- Meeting changing demand / needs from our older tenants
- Being clearer about our strategy for growth & consolidation
- Preparing for delivery of mid-market rent
- Our response to a wider homelessness and tenancy sustainment agenda
- Undertake an options appraisal on delivery of our reactive and void repairs service

Through the work we have undertaken with our Board and Leadership Team we aim to ensure that all have a thorough understanding of our Corporate Business Plan and asset management strategy and the risks inherent in both.

We recognise that good business planning needs to be at the heart of our approach, together with strong governance, effective management and financial viability. This more robust approach to business planning will also help to deliver good outcomes for our tenants and other service users.

Our focus on putting customers is at the heart of everything we do. This year we have managed to engage very effectively with our customers remotely in terms of our business planning priorities, operational policies, options appraisal of our void and reactive repairs service and review of our rent and service charges as well as our rent increase.

We continue to work closely with our Tenants Advisory Group and Scrutiny Panel to improve our services. These groups are vital in ensuring that our decision making reflects the needs and preferences of our service users and our communities.

As an organisation we never stand still and will always respond to new challenges. In 2020/21 our Board approved our first Green Strategy. This document ensures that we work to:

- Reduce waste, energy consumption and harmful emissions by improving the efficiency of service delivery and office management
- Improve / enhance the environment of our communities through investment in green infrastructure
- Through our approach to new build construction and the improvement of existing homes reduce our carbon footprint and ensure that our properties are resilient to the potential impact of climate change
- Improve the health and wellbeing of our staff and communities by raising awareness and changing behaviours in respect of the climate emergency, and by offering opportunities to positively contribute to the environment
- Work with partners who are environmentally aligned with us and are committed to delivering 'green' benefits to our assets, customers and communities

During the year, we set up a number of new Short Life Working Groups (SLWG) to continue to develop and improve our business. They include SLWGs on:

- The Way We Work (post Covid)
- Data Management
- Equalities
- Disposals Strategy
- Mid-Market Rent
- Rent Policy Review
- Green Strategy

Report of the Board of Management (cont'd)

Overview (cont'd)

In respect of the latter, we consulted with our tenants to develop a new rent setting mechanism that is fairer, more transparent and reflects the amenities of each property. In addition, our Board approved one of our lowest ever rent increases in line with our business priority to keep rent increases as low as possible.

Keeping rents affordable is helped by our continuing focus on driving unnecessary costs from our business and we produced our first annual efficiencies plan, which helped significantly reduce our office overheads. The total actual cost savings on the 20/21 plan amounted to £62,073.

During the year we employed external consultants to assist us undertake an options appraisal on whether we should bring our reactive and void repairs service inhouse. We concluded however that we should continue to procure this work through traditional procurement routes as there was no clear financial benefit that outweighed the risks of that approach.

In terms of staff engagement and culture, we made significant improvements during the year, with strong day to day support for staff during the pandemic and this is reflected in our excellent staff engagement survey results and our improved Investors in People assessment.

At Director level we saw some changes in our Corporate Management Team (CMT). Stewart Gibb our Director of Housing & Community Services retired and was replaced by Robert Campbell, from Sanctuary Scotland. In addition, in line with the increasing focus on strong and effective governance and compliance, our Head of Corporate Services, Jennifer Cairns, became part of the CMT in a new Director of Corporate Services role. This change was instrumental in achieving a "Substantial Assurance" rating in our Governance audit from our internal auditors.

We also had a significant change at Board level during the year with Ruth Simpson standing down as Chairperson after 5 years of outstanding service in the role. Kelly Adams was elected as our new Chairperson at our September 2020 Board meeting.

Our Board has an ongoing process in place to self-assess compliance with the Scottish Housing Regulator's (SHR) Regulatory Standards of Governance and Financial Management. This process includes Board annual reviews, a training and development plan, the review of Board meetings and the linking of Board papers to compliance with the standards. This self-assessment identifies any areas of improvement which forms the basis of our Governance Improvement Plan.

In 2020/21, our Board assessed compliance with all Regulatory Requirements in preparation for our second annual Assurance Statement that was submitted to the SHR in October 2020. The Board signed off on this statement after receiving the assurance it required that the Association was complying with the Regulatory Requirements detailed in Chapter 3 of the SHR's Regulatory Framework. At the end of 2020/21, the SHR published our annual Engagement Plan which confirmed we are Compliant with the Regulatory Framework. It also noted that we are considered a "Systemically Important" RSL on account of our size, turnover and level of borrowings.

Development remains a key component of our growth aspirations and relies on the on-going support of our partners in Scottish Government, local authorities and Glasgow City Council.

The impact Covid has had on our development programme has not been as marked as initially feared as, in the main, construction has continued with the exception of a few weeks during the first period of lockdown in March and April 2020. However, there has been a slower pace of construction as Covid working protocols have been implemented on sites. This has had a direct impact on the projected completion of 52 units at Fielden Street, Glasgow where only 15 were handed over with the remaining 37 spilling over to the first month of 21/22. This was similar to the expected first tranche of 12 completions also being delayed by a few weeks on our 61-unit development in Doonfoot, Ayr. The remaining 49 units on this development should still be delivered in 21/22 as expected.

Report of the Board of Management (cont'd)

Overview (cont'd)

Elsewhere within our programme construction work is ongoing at Dalmarnock Station and Springfield Cross in Glasgow with the latter projected to deliver the 36 Passivhaus units as planned during 21/22. We also expect site starts on a 12-unit development in Hamilton, 31 units at Greenan Ph3, Ayr and our largest Passivhaus development for 90 Mid-Market Rental units at Dundashill, Glasgow.

Financial Review

In the year to 31 March 2021, total revenue increased to £20.4m (2020: £20.0m). Of this, rents and service charges contributed £16.1m (2020: £15.8m). The revenue for the year also reflects the release to income of £3.8m (2020: £3.7m) of Housing Association Grant received in prior years to assist with the acquisition and construction of housing stock.

Operating costs on housing activities fell to £15.1m (2020: £16.4m) which was a decrease of £1.3m on the comparative period. Of this, £1m is due to a reduction in property maintenance expenditure which arose principally as a result of being unable to access tenants' homes due to the restrictions associated with the pandemic. We also saw reductions in management and maintenance administration, service costs and bad debts charges.

In total, the Association spent £3.6m (2020: £6.5m) maintaining and improving its housing stock. Of the £3.6m, £3.2m (2019: £3.9m) was spent on reactive and planned maintenance activities to maintain the fabric of our buildings with £0.4m (2020: £2.3m) spent on new components to replace existing components (bathrooms, boilers, kitchens, and windows) which had come to the end of their useful lives. While an element of the reduction in replacement expenditure is associated with the restrictions on entering tenants' homes the association was able to accelerate £0.8m of kitchen replacement expenditure initially scheduled for 2021/22 into 2020/21. It is anticipated the 2021/22 year will see significant catch up expenditure for work planned in 2020/21 now being undertaken in 2021/22.

The interest paid on the Association's loans fell to £1.4m (2020: £1.9m). While we saw a small reduction in the total of our loans outstanding the association benefited from entering into a new fixed interest period at an interest rate significantly lower than that which previously applied. In addition, the association benefited from an interest repayment arising from a recalculation of interest charged in earlier periods.

The overall impact of the reduced management and maintenance expenditure together with lower interest costs results in a surplus for the year of £2.9m (2020: £0.6m).

Following a change to Defined Benefit accounting in 2019 this resulted in the Association recording a liability of £184,000 on its balance sheet as at 31 March 2020 for its share of the pension scheme deficit. In 2020/21, despite contributions paid into the scheme changes to actuarial assumptions resulted in the Association's share of the liability at 31 March 2021 rising to £2,329,000. An accounting (non-cash related) adjustment of £2,739m to reflect the movement in the liability has been recognised in the Statement of Other Comprehensive Income on page 18 of the financial statements. Further detail is contained in Note 27. Following a lengthy consultation process with staff, the Board made the decision to close the SHAPS defined benefit pension scheme to future accruals from the 30th April 2021. All staff in the defined benefit scheme moved to the SHAPS defined contribution scheme from the 1st May 2021

The Statement of Financial Position reflects the results of the year, including the effect of the changes in pension scheme liability, with reserves rising to £16.4m from £16.2m. There has been an increased movement of £1.2m in current liabilities predominantly relating to a £1m HAG debtor from 2019/20 which was paid in 2020/21, coupled by the repayment of borrowings and a grant repayment following the sale of a fixed asset. This represents a short-term increase only as a result of these one off items. At the year-end cash and cash equivalents had fallen to £1.6m from £2.2m reflecting our policy to minimise cash holdings. The Association also has access to considerable undrawn borrowing facilities which will be used to fund our continuing development programme.

Report of the Board of Management (cont'd)

Financial Review (cont'd)

Reserves are held to underpin the financial stability of the Association and enable the organisation to react to future unplanned adverse events. This includes, but is not limited to:

- Protect from income risk in relation to increased arrears or a fall in income resulting from caps placed on rental income linked to affordability.
- Working capital in relation to ongoing development programme in the event expenditure is needed ahead of funding or grant income.
- Opportunity for growth initiatives.
- Protect against unplanned adverse events such as Covid-19, or other major external factors affecting the ability to recover income.

The year started with the Coronavirus pandemic which placed significant operational restrictions on our ability to deliver services to our tenants. The subsequent lockdown also had a detrimental effect on the incomes of many of our tenants and we have sought to provide support and relief where possible. While we are now seeing many of the restrictions on our activities easing, we continue to be aware of the adverse impact the pandemic has had on our tenants and communities. As part of our Going Concern review, we have revisited our assessment of the potential impact of the pandemic on the finances of the Association and are satisfied that there will be no long term adverse financial impact on the Association and on our ability to continue to deliver services to our communities.

Future Prospects

Our Key Business Objectives for the forthcoming financial year (2021/22) are noted below. They reflect the environmental analyses we have carried out taking account of our strengths, weaknesses, opportunities and external threats to the business. They were developed by our Board and Leadership Team and help to ensure all our stakeholders understand what our Key Business Objectives are for the year ahead:

1) Agree investment priorities in existing and new homes
2) Review priorities for Community & Support Services
3) Review and develop our customer care and engagement approach
4) Develop our business, people and culture in line with the review of our strategic aims and values.
5) Continue our digital transformation
6) Become more efficient and reduce costs
7) Deliver our Green Strategy
8) Prepare for management of Mid Market Rent
9) Develop comprehensive plan for growth & consolidation

In addition to our Key Business Objectives for 2021/22, priorities which underpin our activity are:

- Maximising our income, whilst
- Keeping rent increases as low as possible
- Bringing our costs to be more in line with our Peer RSLs
- Continue to focus on Value for Money and delivering efficiencies
- Reducing our Carbon Footprint
- Continuing to support vulnerable people in our communities
- Delivering more new build housing in our communities
- Digital Transformation of systems and services
- Developing and improving our culture and people
- Being open to growth that is aligned with our strategic objectives

Our new Corporate Business Plan 2021-2026, which was approved by our Board, reflects our chosen strategic direction.

Report of the Board of Management (cont'd)

Future Prospects (cont'd)

We use a strategic options appraisal approach to consider our strategic alternatives and analyse their relative costs and benefits against a pre-agreed range of criteria. The Corporate Business Plan sets out our Criteria for Growth Framework and also sets out our key strategic options which are largely determined by our approach to growth or consolidation of WSHA as an independent organisation.

Our Strategic Options are noted below:

- Option 1: Continued new build development beyond our current projects
- Option 2: Being open to future growth through acquisition (e.g. RSL, stock etc. acquisitions)
- Option 3: Pro-active disposal of existing stock in accordance with our disposal strategy
- Option 4: Growth through new business / service development opportunities

Our 30-year investment plan amounts to around £215m. The investment plan includes planned maintenance works, and separate budgets for cyclical maintenance, reactive repairs, and void repairs. Through strategic procurement planning we will continue to drive down contract costs through offering economies of scale to contractors providing better VFM for our customers.

The direction of travel from the Scottish Government for the housing sector has been set out in their ambitious 20-year strategy, "Housing to 2040". Our Board are supportive of this long term approach and remain enthusiastic that we will play our part in the Scottish Government's commitment to deliver 100,000 more affordable homes by 2032 through our own ambitious development programme.

We have contributed to a number of Scottish Government led consultations and working groups as a number of their key priorities align with our own, including how we will heat our homes through lowering demand which will remove tenants from fuel poverty. We have also represented the sector in the working group on how the energy efficiency of building standards can be improved. Keeping close to the strategic aims of national and local government remains an important component to our own organisational direction. We will continue to support these initiatives.

We are now on site with Scotland's largest Passivhaus development at Springfield Cross, Glasgow and this is embracing off-site manufacturing of large elements of the construction process which reduces waste, improves quality and leads to a faster pace of construction.

We are currently working up plans for our Pre 1919 tenements on the back of comprehensive survey work by consultants we appointed to look at our options on improving the energy efficiency of these properties. We are not alone with the scale of the challenge for our pre 1919 stock – other RSLs with large holdings are faced with the same issues. This is likely to form a core part of our asset management activity in future years, though this remains dependent on financial support from Scottish Government and Local Authority funding partners as without this we are limited in what we will be able to achieve.

Underpinning much of our current business streams is our Digital & IT Strategy which aims to:

- Invest in Digital & IT infrastructure to help drive unnecessary costs from our business and use digital services and processes to increase efficiency, while at the same time,
- Maximise our residents' access to the internet through supporting and encouraging them to go online.

As part of our new investment in our Housing System – Civica Cx, we have provided a Tenant Portal where tenants can access services online 24/7. By March 2021, 27% of our tenants were using our Portal. To increase the functionality available within the Tenant Portal we will review the benefits of extending this investment with the introduction of a Tenant App which will enable tenants to access a wider range of services on-line. We also hope to go live with Civica Financials by quarter two to enable complete integration between our housing and property system and financial ledgers.

Report of the Board of Management (cont'd)

Main risks and uncertainties

The Association is conscious that Business Growth brings with it additional risks which must be controlled and effectively managed. We will continue to work closely with our partners to develop and improve our approach to risk management and to ensure we mitigate risks associated with the management of an active and ambitious development programme.

We have a robust approach to demonstrating our commitment to strong financial management and effective governance arrangements and we continue to seek to minimise risk in these areas. We have in place arrangements to allow us to meet and ensure we continue to comply with the Regulatory requirements, and we remain flexible and adaptable in meeting changes to Government Regulations.

Over the past year, we have continued to develop our Board and governance arrangements and the Board has continued to operate effectively during the pandemic which has mitigated any governance risk.

We demonstrated our ability to adapt to new ways of working and service delivery throughout the Coronavirus crisis. Our robust approach to risk assessment and business continuity planning has ensured that we not only minimised the risks to staff and tenants but retained our focus on the delivery of our Key Business Objectives for 2020/21, all of which were delivered as planned.

We have risk assessed our Business Priorities for 2021/22 and the key area of improvement is in relation to our IT Infrastructure. Significant progress has been made in the last year in respect of upgrading servers, implementing Microsoft Office 365 and establishing remote working for all staff during the pandemic. Areas of focus for next year will be the implementation of our new finance system, procurement and implementation of a new phone system and to fully embed all aspects of Microsoft 365 within our business. One of the key challenges in relation to digital transformation and developing our IT infrastructure is ensuring that our staff have the most up to date knowledge and skills and this area will be a key aspect of our training programme in 2021/22.

We have significantly improved our data and performance reporting. The ongoing development of our IT infrastructure will allow us to design robust data and record management systems and will assist in improving compliance with GDPR and FOI legislation.

Employee Development, Health and Safety and Equalities

The key focus in respect of employees has been in relation to staff wellbeing and health safety during the pandemic. We have detailed risk assessments in place in respect of mitigation of the risk of transmission of Covid and staff health and wellbeing. We have improved communication and support for staff during the pandemic to reduce the impact of the pandemic where possible.

Over the course of the year, we continued to deliver training using on-line delivery mechanisms in conjunction with our existing e-learning programme.

In February 2020, we carried out our first staff engagement survey and over the past year we have been implementing the actions arising from the survey. We have seen a very positive impact of these actions on our Staff Engagement Survey results in February 2021. Some of the results from the survey are detailed below:

- I feel confident to raise concerns (91%)
- I like the type of work that I do (94%)
- I feel part of a team working towards a shared goal (90%)
- I have a clear understanding of my job role (90%)
- I am willing to give extra effort to help WSHA succeed (98%)
- Overall, I think WSHA is a good place to work (95%)
- I would recommend WSHA as a place to work (91%)

Report of the Board of Management (cont'd)

Employee Development, Health and Safety and Equalities (cont'd)

In addition to this we had our Investors In People Review in March 2021 and our accreditation was increased to Silver.

We continue to implement our Healthy Working Lives Programme and this year we developed a new Employee Health and Wellbeing Strategy which is based on the Investors in People Wellbeing framework. Over the past year, a significant amount of work has been carried out to develop our Equalities and diversity agenda. We now have equalities data for over 70% of our tenants. This will allow us to develop our services to more fully the needs of our tenants. We have also improved our processes and undertake Equality Impact Assessments for projects, strategies and policies which now form a key part of the planning process when developing or reviewing an area of work.

The Equalities Working Group, consisting of both tenants and staff is now well established. The Group has completed the majority of the tasks in the Equalities Action Plan and will look to complete the remaining items in the coming year.

In terms of the Board and Staff, we now have a profile of the Board and our workforce and this now links with our recruitment approach to ensure that we maintain a diverse Board and workforce. We will develop this approach further over the course of the next year and will look at where and how we advertise roles to enhance this further.

Community and Support Services

Since the start of the Covid-19 crisis, life has changed immeasurably for our tenants and communities. It has been evidenced that the impact of the crisis has disproportionately affected people living in social housing. Covid -19 has impacted on the financial circumstances and social wellbeing of a significant number of our tenants and WSHA's response has been to provide access to the right support to enable tenants to sustain their tenancy and wellbeing.

We have continued to work in partnership with our charitable subsidiary Willowacre Trust to deliver Covid-19 response services to our tenants. The services were delivered with enhanced health and safety protocols in place to ensure the safety of our staff and tenants, and as a result we have been able to deliver a wide range of services directly to our tenants across multiple communities in response to Covid-19. These services are outlined in the table below:

Service Type	Targeted Tenants
Food Parcels Services	All Tenants
Cash for Kids Shopping Gift Vouchers	Families with Children (Financial Hardship)
Youth & Community Engagement Services	Children, Young People, All Tenants
Hot Meal Deliveries	Older People and Families
Lunch Club Provision	Older People and Families
Digital Support Services/ Devices	All Tenants
Wellbeing Support Services	Older People/Vulnerable Tenants
Money Advice Services	All Tenants
Energy Advice Services	All Tenants
Sheltered Housing Support Services	Older People
Fuel and Data Tops ups	All Tenants
Starter Packs Provision	New Tenants

Committee and Officers' Insurance

The Association maintains insurance cover for its Board and officers against liabilities in relation to their duties on behalf of the Association, as authorised by the Association's rules. In addition, the Association has a professional indemnity insurance policy covering community work it undertakes for other organisations.

Report of the Board of Management (cont'd)

Creditor Payment Policy

The payment policy, which the Association follows, is to pay all purchases within 28 days, although some payments are settled in 14 days, and/or in accordance with creditor terms of business.

Members of the Board

Kelly Adams – Chair - 1
Irene Campbell – Vice Chair -2
Elaine Davidson – 2,3
Ryan Docherty - resigned 19/05/21
Nick Farrell – 3
George Kpodo – 1 – appointed 30/09/20
Christine Masasa – appointed 30/09/20
John Muir - 3
Paul McCandlish – resigned 18/11/20
Derek McGowan - 1
Paul McNeil – 3
Clare Newton – resigned 23/04/21
Lorraine Preston – resigned 18/05/20
Anne Reid – 3
John Shearer – resigned 28/04/21
Ruth Simpson – 2, 3

Sub Committees
1. Audit Committee
2. Staffing Sub Committee
3. Development and Investment Sub Committee (DISC)

Alistair Campbell has been a co-opted member of the Audit Committee since 23 May 2018. Jim Hayton has been a co-opted member of the DISC since 29 March 2017.

Executive
The Executive Officers of West of Scotland Housing Association at 31 March 2021 were as follows:

Brian Gannon	Chief Executive Officer	
Jennifer Cairns	Director of Corporate Services	Appointed 27 May 2020
Robert Campbell	Director of Housing and Community Services	Appointed 4 May 2020
Andrew Kubski	Director of Development and Asset Management	
Colin MacCallum	Director of Finance	Resigned 30 June 2021
Donna Paton	Director of Finance	Appointed 7 June 2021

Disclosure of Information to Auditor
Each member of the Board and executive officers has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is 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
Pursuant to Section 487 of the Companies Act 2006, a resolution to appoint the auditor will be presented at the Annual General Meeting.

On behalf of the Board of Management

Company Secretary:
Dated:

Statement of Board of Management's Responsibilities in respect of Internal Financial Control

The Board of Management ("Board") acknowledges its ultimate responsibility for ensuring that the RSL 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 Board's responsibility to establish and maintain the 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 on-going documentation of key systems and rules in relation to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the governing body to monitor the key business risks, financial objectives and 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 Board of Management;
- the Audit Committee/Board received reports from management and from 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 Board has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2021. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

By order of the Board of Management

Company Secretary

Dated:

Statement of Board of Management's responsibilities in respect of the Board of Management's report and the financial statements

The Board of Management ("Board") is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that period.

In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2019. The Board of Management has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

Report by the auditors to the members of West of Scotland housing Association Limited on corporate Governance matters.

Corporate Governance

In addition to our audit of the financial statements, we have reviewed the Board of Management's statement on page 12 concerning the Association's compliance with the information required by the Regulatory Standards for systematically important RSLs in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council through enquiry of certain members of the Board and Officers of the Association and examination of relevant documents. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non- compliance.

Opinion

In our opinion the statement on internal financial control on page 12 has provided the disclosures required by the relevant Regulatory Standards for systematically important RSLs within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes, issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

CHIENE + TAIT LLP
Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

2021

Independent auditor's report to the members of West of Scotland Housing Association Limited

Opinion

We have audited the financial statements of West of Scotland Housing Association ("the Association") for the year ended 31st 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 2020 and of its 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 Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019.

In our opinion the exemption granted by the Financial Conduct Authority from the requirement to prepare Group Accounts is applicable as the amounts involved are not material.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 opinion.

Conclusions relating to going concern

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

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

Other Information

The Board of Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of West of Scotland Housing Association Limited (cont'd).

Other information (cont'd)

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 requires 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 Board of Management

As explained more fully in the Statement of Board of Management's Responsibilities as set out on Page 13, the Board of Management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board 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 Board of Management either intends to liquidate the Association or to cease operations, or has 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:

Independent auditor's report to the members of West of Scotland Housing Association Limited (cont'd).

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

We gained an understanding of the legal and regulatory framework applicable to the Association and the industry in which it operates and considered the risk of acts by the Association which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Housing SORP 2018, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland) Act 2010.

We focused on laws and regulations that could give rise to a material misstatement in the Association's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the members;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

Use of our report

This report is made solely to the Association's members, as a body, in accordance with 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.

CHIENE + TAIT LLP
Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

_______________ 2021

Statement of Comprehensive Income
For the year ended 31 March 2021

	Notes	2021 £000	2020 £000
Turnover	3	20,419	20,033
Operating Expenditure		(16,132)	(17,441)
Operating Surplus	3	4,287	2,592
Interest Receivable and similar income	7	2	12
Interest Payable and similar charges	8	(1,384)	(1,961)
Comprehensive income for the year		**2,905**	**643**
Actuarial movements on defined benefit scheme	27	(2,739)	3,329
Total Comprehensive Income for the year		**166**	**3,972**

The results for the year relate wholly to continuing activities.

The notes on pages 22 to 45 form part of these financial statements.

Statement of Financial Position
For the year ended 31 March 2021

	Notes	2021 £000	2020 £000
Fixed assets			
Intangible Assets	**9**	226	234
Tangible assets - housing properties	**10**	227,272	220,515
Tangible assets - other	**11**	2,279	2,312
Investment Properties	**12**	225	225
		230,002	223,286
Current Assets			
Stock		1	1
Receivables	**14**	1,238	2,327
Cash and Cash Equivalents		1,600	2,175
		2,839	4,503
Less: Payables due within one year	**15**	(4,780)	(5,238)
Net Current Liabilities		(1,941)	(735)
Total Assets less Current Liabilities		228,061	222,551
Payables : amounts falling due after more than one year	**16**	(61,976)	(62,450)
Provisions for Liabilities and Charges	**17**	(119)	(98)
Provision for Defined Benefit Obligation	**27**	(2,329)	(184)
Deferred Capital Grants	**18**	(147,234)	(143,582)
Net assets		16,403	16,237
Reserves			
Share capital	**19**	-	-
Reserves		16,403	16,237
		16,403	16,237

The financial statements were approved and authorised for issue by the Board on 25 August 2021 and signed by:

Board Member – Kelly Adams:

Board Member – Derek McGowan:

Company Secretary – Jennifer Cairns:

Statement of changes in reserves
For the year ended 31 March 2021

	Unrestricted reserve £000
Current year	
Balance at 1 April 2020	16,237
Surplus from statement of total other comprehensive income	166
Balance at 31 March 2021	16,403

	Unrestricted reserve £000
Prior year	
Balance at 1 April 2019	12,265
Surplus from statement of other comprehensive income	3,972
Balance at 31 March 2020	16,237

The notes on pages 22 to 45 form part of these financial statements.

Statement of Cash Flows
For the year ended 31 March 2021

	Note	2021 £000	2020 £000
Net Cash Inflow from Operating Activities	**20**	**4,976**	**5,250**
Investing Activites			
Purchase of tangible fixed assets		(12,717)	(14,980)
Purchase of intangible fixed assets		(63)	(71)
Proceeds from sale of tangible fixed assets		534	200
Grants received		8,918	9,514
Grants Repaid		(451)	(120)
Net cashflow to investing activities		**(3,780)**	**(5,457)**
Financing activities			
Interest paid		(1,351)	(1,896)
Interest received		2	12
New secured loans advanced		11,500	4,000
Repayments of borrowings		(11,921)	(1,405)
Net cashflow (to)/from financing activities		**(1,771)**	**711**
(Decrease)/increase in cash		**(575)**	**504**
Opening cash & cash equivalents		**2,175**	**1,671**
Closing cash & cash equivalents		**1,600**	**2,175**
Cash and cash equivalents at 31 March 2021		**1,600**	**2,175**

The notes on pages 22 to 45 form part of these financial statements.

Notes to the financial Statements
For the year ended 31 March 2021

1. Accounting Policies

(a) Introduction and accounting basis

These financial statements have been prepared in accordance with FRS 102 as issued by the Financial Reporting Council and comply with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator and the Statement of Recommended Practice (SORP) Accounting for social housing providers issued in 2018.

The financial statements have been prepared on the historical cost basis as modified by the valuation of certain heritable properties. The principal accounting policies that have been applied consistently to all periods presented in these financial statements are set out below.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the Association. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2. The use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

West of Scotland Housing Association Limited meets the definition of a public benefit entity (PBE).

(b) Going concern

The Board of Management has compiled projections that indicate the Association will generate surpluses throughout the five and thirty-year planning periods. The Association has a healthy cash position and has access to undrawn borrowing facilities. The Board is therefore satisfied that there are sufficient resources available to continue operating for at least 12 months after the date of signing these financial statements. Accordingly, the Board continues to adopt the going concern basis of accounting in preparing the annual financial statements not withstanding Covid 19.

(c) Turnover

Revenue comprises rental and service charge income receivable in the period, income from shared ownership first tranche sales, 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.

(d) Social Housing Grant

Social Housing Grant ("SHG"), at amounts approved by The Scottish Government is paid directly to the Association during the development process.

SHG is repayable under certain circumstances primarily following the sale of property but will normally be restricted to the net proceeds of sale. Any grants received that cannot be repaid from the proceeds of sale are abated.

SHG received as a contribution towards the capital cost of a housing development is recognised in line

Notes to the financial Statements
For the year ended 31 March 2021

1. Accounting policies (cont'd)

Social Housing Grant (cont'd)
with the accrual model. The accrual model results in the grant being recognised over the expected useful life of the housing property structures.

(e) Intangible assets
All intangible assets shall be considered to have a finite useful life of five years on a straight-line basis. The useful life of an intangible asset that arises from contractual or other legal rights shall not exceed the period of the contractual or other legal rights but may be shorter depending on the period over which the entity expects to use the asset. Amortisation of intangible assets is shown within operating costs.

(f) Fixed assets - Housing properties
Housing properties are stated at cost less accumulated depreciation. The development cost of housing properties includes: -

1. Cost of acquiring land and buildings; and
2. Development expenditure including administration costs.

These costs are either termed "qualifying costs" by The Scottish Government for approved social housing grant schemes or are considered for mortgage loans by the relevant lending authorities or are met out of the Association's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value are included in the financial statements for the year, provided that the dates of issue or valuation are prior to the year-end.

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs; or
- A significant extension to the life of the property.

Works to existing properties which fail to meet the above criteria are charged to the Statement of Comprehensive Income.

All costs relating to the share of property sold are removed from the financial statements at the date of sale.

(g) Capitalisation of Development Overheads
Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

(h) Development Interest
Interest incurred in financing a development is capitalised up to the date of practical completion of the scheme.

(i) Investment properties
Investment properties (including properties held under an operating lease) consist of commercial properties and properties not held for social benefit. These properties are initially measured at cost and subsequently measured at fair value. Changes in fair value are recognised in the Statement of Comprehensive Income.

Notes to the financial Statements
For the year ended 31 March 2021

1. Accounting policies (cont'd)

(j) Depreciation

(i). Social housing units

Each housing unit has been separated into its major component parts. Each major component is depreciated on a straight-line basis over its expected economic useful life. The following major components and useful lives have been adopted by the Association:

Land	–	not depreciated
Structure	–	over 50 years
Windows	–	over 25 years
Bathrooms	–	over 30 years
Kitchens	–	over 15 years
Central Heating	–	over 15 years

(ii). Property, plant and equipment

Depreciation is charged on a straight-line basis on other fixed assets so as to write off the asset cost less any recoverable value over its anticipated useful life.

The following rates have been used: -

Heritable Property	–	2% per annum
Commercial Property	–	4% per annum
Office Equipment	–	10% per annum,
Computer and Other Equipment	–	33.33% per annum
Motor Vehicles	–	25% per annum

A full year's depreciation is charged in the year of purchase. No charge is made in the year of disposal.

(k) Impairment

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Association estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the Statement of Comprehensive Income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

(l) Investments

Investments in subsidiary undertakings are stated at cost.

(m) Loans

Mortgage loans are advanced by Private Lenders under the terms of individual mortgage deeds in respect of each property or housing scheme.

Notes to the financial Statements
For the year ended 31 March 2021

1. Accounting policies (cont'd)

(n) Financial Instruments

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all its financial instruments.

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument, and are offset only when the Association currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

<u>Financial assets</u>

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss are recognised immediately in income and expenditure.

<u>Financial liabilities</u>

Trade and Other Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Commitments to receive a loan are measured at cost less impairment.

<u>Derecognition of financial assets and liabilities</u>

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to

Notes to the financial Statements
For the year ended 31 March 2021

1. Accounting policies (cont'd)

Derecognition of financial assets and liabilities (con'd)

another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(o) Stocks
Stocks of maintenance materials are valued at the lower of cost and net realisable value. Cost is defined as the value on the supplier's invoice.

(p) 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.

(q) Provisions
In accordance with Financial Reporting Standard 102 provision is made for furniture replacements.

(r) Apportionment of management expenses
Direct employee, administration and operating costs have been apportioned to the relevant sections of the Statement of Comprehensive Income on the basis of the cost of staff directly attributable to the operations disclosed within the Statement of Comprehensive Income.

(s) Pensions (note 27)
The Association contributes to the two Scottish Housing Association Pension Schemes (SHAPS).

Defined contribution plan

For the defined contribution scheme, the amount charged to the statement of comprehensive income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit plan

The Association participates in the Scottish Housing Associations Defined Benefit Pension 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. From 1 April 2018, the Association has accounted for this scheme as a defined benefit pension scheme in accordance with FRS 102.

On the 30 April 2021, the Association transferred all employees who were members of the Defined benefit plan to the Defined contribution plan. Accordingly, the Association will no longer accrue pension liabilities for future service under the Defined benefit plan but will retain a liability for past service received for those employees who were members of the Defined benefit plan up to the date of transfer on 30 April 2021.

(t) Consolidation
The Association has obtained exemption from the Financial Conduct Authority from producing Consolidated Financial Statements as provided by Part 7 of the Co-operative and Community Benefit Societies Act 2014. The financial statements for West of Scotland Housing Association Limited present information about it as an individual undertaking and not about the group.

(u) Operating leases
Rentals under operating leases are recognised in the Statement of Comprehensive Income on an

Notes to the financial Statements
For the year ended 31 March 2021

1. Accounting policies (cont'd)

accruals basis.

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

2. Critical accounting estimates and judgements

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The Board does not consider it necessary to restate the value of the investment property - see note 12.

The use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The principal areas where management has exercised judgement are: -

a. Financial instrument break clauses
The Association has considered the break clauses attached to its financial instruments that it has in place for its loan funding. In the judgement of the Board of Management, 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.

b. 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.

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. In 2018 the Pension Trust developed a method of calculating each member's share of the assets and liabilities of the scheme. Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 27). The net defined benefit pension liability at 31 March 2021 was £2,329,000 (2020: £184,000).

Areas where estimates are used are: -

- In estimating the useful lives of housing properties and capitalised components.
- In estimating depreciation rates to be applied to housing properties, capitalised components and other fixed assets.
- In estimating the recoverable amounts of rental and other trade receivables.
- In estimating grant amortisation.
- 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.

Notes to the financial Statements
For the year ended 31 March 2021

3. Particulars of Turnover, Operating Costs and Operating Surplus

		2021				2020			
		Turnover	**Operating Costs**	**Disposal of Assets**	**Operating Surplus**	**Turnover**	**Operating Costs**	**Disposal of Assets**	**Operating Surplus**
Income and Expenditure From Lettings		**£000**	**£000**	**£**	**£000**	**£000**	**£000**	**£**	**£000**
Social Lettings	(Note 4)	19,700	(15,128)	-	4,572	19,351	(16,396)	-	2,955
Other Activities	(Note 5)	719	(1,194)	-	(475)	682	(1,070)	-	(388)
Disposal of assets	(Note 6)	-	-	190	190	-	-	25	25
		20,419	(16,322)	190	4,287	20,033	(17,466)	25	2,592

Notes to the financial Statements
For the year ended 31 March 2021

4. Particulars of turnover, operating costs and operating surplus from social lettings activities

	General Needs Housing £000	Supported Housing Accomodation £000	Shared Ownership Accomodation £000	2021 Total £000	2020 Total £000
Income from rent and service charges					
Rent receivable net of service charges	14,526	875	82	15,483	15,128
Service charges	381	265	2	648	679
Gross income from rents and service charges	14,907	1,140	84	16,131	15,807
Less voids	(159)	(27)	-	(186)	(198)
Net income from rents and service charges	14,748	1,113	84	15,945	15,609
Release of Deferred Income Grant	3,738	-	17	3,755	3,742
Total turnover from affordable letting activities	18,486	1,113	101	19,700	19,351
Expenditure					
Management and maintenance administration costs	4,650	308	56	5,014	5,185
Service costs	331	285	2	618	701
Planned cyclical maintenance including major repairs	1,117	73	-	1,190	1,974
Reactive maintenance costs	1,849	117	-	1,966	2,228
Bad Debts - rents and service charges	93	6	-	99	172
Depreciation of social housing	5,895	292	54	6,241	6,136
Operating costs for affordable lettings activities	13,935	1,081	112	15,128	16,396
Operating surplus on affordable lettings activities	4,551	32	(11)	4,572	2,955
2020	3,037	(67)	(15)		

Notes to the financial Statements
For the year ended 31 March 2021

5. Particulars of turnover, operating costs and operating surplus from other activities

	Grants from Scottish Ministers	Other revenue grants	Other Income	Total Turnover		Other operating Costs		Operating surplus/deficit	
	2021	2021	2021	2021	2020	2021	2020	2021	2020
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Stage 3 adaptations	171	-	-	171	230	(152)	(212)	19	18
Factoring	-	-	100	100	117	(199)	(131)	(99)	(14)
Development and construction of property activities	-	-	-	-	-	(253)	(150)	(253)	(150)
Other Activities	-	308	140	448	335	(590)	(577)	(142)	(242)
Total for other activities	171	308	240	719		(1,194)		(475)	
2020	230	193	259		682		(1,070)		(388)

Notes to the financial Statements
For the year ended 31 March 2021

6. Surplus on Sale of Housing Assets

	2021	2020
	£000	£000
Sales Proceeds	551	211
Cost of Sales	(361)	(186)
Gain on Sale of Housing Stock	190	25

The cost of sales includes a Housing Association Grant adjustment.

7. Interest receivable and similar income

	2021	2020
	£000	£000
Interest receivable on deposits	2	12

8. Interest payable and similar charges

	2021	2020
	£000	£000
Interest on loans	1,351	1,896
Effective interest rate adjustment	53	52
Interest on pension liability	(2)	83
	1,402	2,031
Less: Development interest capitalised	(18)	(70)
	1,384	1,961

Interest capitalised was incurred at varying rates of interest.

9. Intangible assets

	2021	2020
	£000	£000
Cost		
At start of year	293	222
Additions during year	63	71
	356	293
Amortisation	(130)	(59)
At end of year	226	234

Notes to the financial Statements
For the year ended 31 March 2021

9. Intangible assets (cont'd)

The £226,000 (2020: £234,000) reflects the payments to date to acquire a new computer system to replace the existing Housing Management and Financial Ledger systems. The expenditure is being treated as an intangible asset. Further payments will be made in line with the agreed contract schedule. The Housing Management system was substantially completed in 2019/20 and an amortisation charge was raised during the year. The new Financial Ledger will be implemented in 21/22 and the costs amortised thereafter.

10. Tangible Fixed Assets – Housing properties

	Housing Properties Held for Letting £000	Housing Properties In Course of Construction £000	Shared Ownership Held for Letting £000	TOTAL £000
Cost				
At start of year	283,279	14,704	2,495	300,478
Additions during year	608	12,682	-	13,290
Transfers in year	2,717	(2,717)	-	-
Disposals	(642)	-	-	(642)
At end of year	285,962	24,669	2,495	313,126
Depreciation				
At start of year	79,006	-	957	79,963
Transfers in year	-	-	-	-
Provided in the year	6,187	-	54	6,241
Eliminated on Disposal	(350)	-	-	(350)
At end of year	84,843	-	1,011	85,854
Net Book Value at 31 March 2021	**201,119**	**24,669**	**1,484**	**227,272**
Net Book Value at 31 March 2020	**204,273**	**14,704**	**1,538**	**220,515**

Additions to housing properties include capitalised development administration costs of £137,769 (2020: £105,337) and capitalised interest of £18,412 (2020: £70,088). The average interest capitalisation rate was 1.40% (2020: 2.03%).

The total expenditure on existing properties during the year was £1,127,877 (2020: £3,300,146). Of this £607,523 (2020: £2,339,532) was attributable to component replacements which have been capitalised and £nil on other structural improvements (2020: £nil). The remaining £520,354 (2020: £960,614) was charged to the statement of comprehensive income as a revenue expense.

Notes to the financial Statements
For the year ended 31 March 2021

10. Tangible Fixed Assets – Housing properties (cont'd)

The proceeds of property disposals in the year were £533,947 (2020: £210,500). The cost of the properties disposed of was £420,545 (2020: £521,269) and had a net book value of £291,362 (2020: £269,596). The associated Grant attributed to the disposed properties was £688,306 (2020: £213,544) of which £451,44 (2020: £120,000) was repaid and £148,404 (2019: £93,544) was abated.

Components with a cost of £221,392 (2020: £778,034), grant of £nil (2020: £nil) and accumulated depreciation of £196,498 (2020: £726,595) were written off during the year. The net book value of the components of £24,894 (2019: £51,439) is included in the depreciation charge for the year.

The carrying value of land included within housing properties is £20.5 million (2020: £20.5 million). All land and housing properties are freehold. Within housing properties held for letting are properties with a net book value of £124 million (2020: £124 million) that have been pledged as security to the Association's lenders in respect of outstanding loans. All land and buildings are heritable properties.

11. Tangible Fixed Assets – Other

	Land	Community Centre	Offices	Other Equipment	TOTAL
	£000	£000	£000	£000	£000
Cost					
At start of year	152	100	2,504	795	3,551
Additions in year	-	-	20	65	85
Disposals in year	-	-	-	-	-
At end of year	152	100	2,524	860	3,636
Depreciation					
At start of year	-	36	496	707	1,239
Provided in the year	-	4	51	63	118
At end of year	-	40	547	770	1,357
Net Book Value					
At 31 March 2021	**152**	**60**	**1,977**	**90**	**2,279**
Net Book Value					
At 31 March 2020	**152**	**64**	**2,008**	**88**	**2,312**

Notes to the financial Statements
For the year ended 31 March 2021

12. Investment Property

	2021 £000	2020 £000
As at 31 March	**225**	**225**

During 2017/18 the Association relocated staff from its offices at 225 Keppochhill Road. The property was subsequently let to an unconnected third party at an arm's length rent. The initial term of the lease was for five years. The lease was renewed in June 2020 for a further five year period with a three year break clause enabling either party to terminate the lease. It is the Association's intention to continue to hold this property on an investment basis. The historical cost of the property is £516,572 and at the date of reclassification the net book value was £364,865. The property was valued on 14 December 2016 by an appropriately qualified valuer at a market value of £225,000; accordingly an impairment charge of £139,865 was recognised in the 2017/18 financial statements. The directors have taken into consideration the current COVID 19 pandemic and consider this valuation to be an accurate reflection of the value of the property as at 31 March 2021.

On the 28 September 2020, the Association incorporated a second subsidiary, Westscot Living. The subsidiary will be the vehicle through which the Association will market its mid market rent properties. It is expected that the first of these properties will be available to let in early 2022. At the 31 March 2021, Westsot Living had not commenced trading.

13. Subsidiary Undertakings

West of Scotland Housing Association controls Willowacre Trust, a Scottish charity and company limited by guarantee. The registered office of Willowacre Trust is Camlachie House, 40 Barrowfield Drive, Glasgow, G40 3QH. The principal activities of Willowacre Trust are the provision of support and services. The aggregate amount of capital and reserves and results of Willowacre Trust for the year ended 31 March 2021 were as follows:

	2021 £000	2020 £000
Capital and Reserves	492	442
Surplus/(Deficit) for the Year	50	28

During the year the Association provided management services to Willowacre Trust for which a charge of £13,535 (2020: £13,516) was raised of which £nil (2020: £nil) was outstanding at the year-end. An

amount of £121 (2020: £6,704) was due from the Trust in respect of other goods and services purchased by the Association on behalf of the Trust.

The Association leases premises to Willowacre Trust for a nominal rent of £1 (2020: £1).

Notes to the financial Statements
For the year ended 31 March 2021

13. Subsidiary Undertakings (cont'd)

To support the activities undertaken by Willowacre Trust which deliver services and projects associated with the Supporting Communities strategy to West of Scotland Housing Association tenants and communities, the Association makes support funding available on an annual basis. This funding is subject to annual review. In the year ended 31 March 2021 £327,413 (2020: £356,930) was paid to the Trust.

14. Receivables amounts falling due within one year

	2021 £000	2020 £000
Rental Arrears	1,048	1,009
Less: provision for bad debts	(555)	(496)
	493	513
Amounts owed by Subsidiary undertaking (due within 1 year)	0	7
Other Debtors	560	1,642
Prepayments and Accrued Income	185	165
	1,238	2,327

15. Payables - amounts falling due within one year

	2021 £000	2020 £000
Bank loans (Note 16)	1,826	1,773
Trade Creditors	341	540
Contract Retentions	609	430
Other Creditors	187	161
Accruals and deferred income	1,219	1,839
Rent in advance	598	495
	4,780	5,238

Included in Other Creditors is £46,641 (2020: £43,300) in respect of pension contributions due to the Scottish Housing Associations Pension Schemes.

Notes to the financial Statements
For the year ended 31 March 2021

16. Payables – amounts falling due after more than one year

	2021 £000	2020 £000
Bank loans	61,740	62,214
Grant Repayable / Recyclable	236	236
	61,976	62,450

The bank loans are secured by specific charges on the Association's properties and are repayable at rates of interest ranging from 0.31% to 5.32% (2020: 0.82% to 5.32%).

The bank loans are repayable as follows:

	2021 £000	2020 £000
Between one and two years	1,836	1,816
Between two and five years	5,724	5,547
In five years or more	54,180	54,851
	61,740	62,214
Amounts included due within one year	1,826	1,773
	63,566	63,987

17. Provision for Liabilities and Charges

Furniture Replacement for Supported Accommodation	2021 £000	2020 £000
At start of year	98	97
Added during year	21	3
Released during Year	-	(2)
At 31 March 2021	119	98

Charges for landlord service provision in relation to common areas within supported accommodation are made to tenants at a level that is expected to recover expenditure. Any over or under charges which are carried forward in this equalisation account is taken into account when the landlord service charge is calculated on annual basis. The purpose of this provision is to prevent sudden increases in tenant service charges following a period of common area furniture and white goods replacements in any one year. This is used to smooth charges to aid affordability for tenants and acts as a service charge equalisation account.

Notes to the financial Statements
For the year ended 31 March 2021

18. Deferred Capital Grants

	Housing Properties Held for Letting £000	Housing Properties In Course of Construction £000	Shared Ownership Properties Held for Letting £000	Total £000
At start of year	130,333	13,131	118	143,582
Additions during year	-	7,806	-	7,806
Transfers in year	1,467	(1,467)	-	-
Reinstated following dispo	52	-	-	52
Repaid during year	(451)	-	-	(451)
Amortised in year	(3,738)	-	(17)	(3,755)
At end of year	127,663	19,470	101	147,234

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

	2021 £000	2020 £000
Amounts due within one year	4,011	3,831
Amounts due in one year or more	143,223	139,751
	147,234	143,582

19. Share Capital

Shares of £1 each issued and fully paid	2021	2020
At beginning of year	169	190
Issued during the year	2	9
Shares forfeited in year	(37)	(30)
At end of year	134	169

Each member of the Association holds one share of £1 in the Association. The shares carry no rights to dividends or distributions in the event of a wind up. When a shareholder ceases to be a member, that member'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.

Notes to the financial Statements
For the year ended 31 March 2021

20. Statement of Cash Flows

Reconciliation of surplus to net cash inflow from operating activities	2021 £000	2020 £000
Surplus	**2,905**	**643**
Actuarial (charge) /credit	(2,739)	3,329
Depreciation of tangible fixed assets	6,359	6,251
Amortisation of intangible asset	71	59
Decrease / (Increase) in trade and other debtors	(76)	85
Increase in trade and other creditors	(1,150)	369
Increase in Provisions	22	2
Increase / (Decrease) in provisions and employee benefi	2,147	(3,670)
Release of deferred government grant	(3,755)	(3,742)
Gain on disposal of fixed assets	(190)	(25)
Interest payable and similar charges	1,384	1,961
Interest receivable and similar income	(2)	(12)
Net cashflow from operating activities	**4,976**	**5,250**

21. Movement in Net Debt

	2020 £000	Movements in cash flow £000	Loans Drawn £000	Loans Repaid £000	2021 £000
Cash and cash equivalents	2,175	(575)	-	-	1,600
Loans outstanding	(63,987)	-	(11,500)	11,921	(63,566)
	(61,813)	(575)	(11,500)	11,921	(61,966)

22. Key Management Personnel

The key management personnel are defined as the members of the Board, the executive officers and any other person reporting directly to the Chief Executive or the Board. No emoluments were paid to any members of the Board during the year.

	2021 £	2020 £
Emoluments (excluding pension contributions) of:		
Chief Executive	83,625	69,565

Notes to the financial Statements
For the year ended 31 March 2021

22. Key Management Personnel (cont'd)

The number of employees whose emoluments exceeded £60,000 during the year was as follows (including pension contributions): -

£60,001 - £70,000	**3**	**3**
£80,001 - £85,000	**1**	**-**

	2021	**2020**
	£	**£**
Pension Contributions payable for the above:-	53,387	24,518

	2021	**2020**
	£	**£**
Pension Contributions payable for the above:-	53,387	24,518

The total emoluments paid to key management personnel during the 2020/21 year were as shown in the 2021 column below:

	2021	**2020**
	£	**£**
Emoluments (excluding pension contributions)	354,349	268,290
Total expenses reimbursed in so far as not chargable to UK Income Tax	41	-

The Chief Executive is an ordinary member of the Association's pension scheme as described in note 27. The Association's contribution for the chief executive in the year amounted to £16,641 (2020: £8,586).

23. Employee Information

	2021	**2020**
The average total number of persons employed during the year was	77	78

	2021	**2020**
The average monthly number of full time equivalent persons employed during the year was	72	72

Notes to the financial Statements

For the year ended 31 March 2021

23. Employee Information (cont'd)

	2021 £000	2020 £000
Staff costs (including directors emoluments):	2,614	2,548
Social security costs	269	260
Pension Costs	364	461
	3,247	3,269

24. Operating Surplus

	2021 £000	2020 £000
Operating surplus is stated after charging/(crediting):		
Depreciation	6,360	6,251
Amortised capital grants	(3,755)	(3,742)
Operating lease payments	5	5
Repairs: cyclical, major, day to day	2,617	3,562
Auditors remuneration		
- in their capacity as auditors	17	16
- in respect of other services	-	-

25. Taxation

The Association is a registered charity and is exempt from corporation tax on its charitable activities.
No corporation tax was due on its non-charitable activities.

26. Capital Commitments

	2021 £000	2020 £000
Capital expenditure which has been contracted for but has not been provided for in the financial statements	22,378	15,959
Capital expenditure which has been authorised by the Board of Management but is not contracted	18,822	37,144
	41,200	53,103

Notes to the financial Statements

For the year ended 31 March 2021

26. Capital Commitments (cont'd)

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

	2021	2020
	£000	£000
Funding from the Scottish Government	12,402	22,191
Private Finance	28,798	30,912
	41,200	53,103

27. Pensions

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A Recovery Plan has been put in place to eliminate the deficit which will run to either 30 September 2022 or 31 March 2023 (depending on funding levels) for the majority of employers, although certain employers have different arrangements.

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

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

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

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. Actuarial valuations of the scheme were carried out as at 30 September 2019 and 30 September 2020 to inform the liabilities for accounting year ends 31 March 2020 and 31 March 2021. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

The following figures were 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.

Notes to the financial Statements
For the year ended 31 March 2021

27. Pensions (cont'd)

Principal Actuarial Assumptions

Key assumptions	2021 %pa	2020 %pa
Discount rate	2.18	2.38
Inflation (RPI)	3.27	2.62
Inflation (CPI)	2.87	1.62
Salary Growth	3.87	2.62

Allowance for commutation of pension for cash at retirement is 75% (2020: 75%) of the maximum allowance.

The defined benefit obligation is estimated to comprise of the following:

	2021 No.	2020 No.
Employee members	39	39
Deferred members	38	39
Pensioners	42	39
	119	117

Mortality Rates

Life expectancy is based on the PFA92 and PMA92 tables, with mortality improvements projected based on members' individual year of birth. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males (Years)	Females (Years)
Current Pensioners	21.5	23.4
Future Pensioners	22.8	25

Notes to the financial Statements
For the year ended 31 March 2021

27. Pensions (cont'd)

Fair value of scheme assets by category	2021 £000	2020 £000
Growth Assets	12,934	10,567
Matching Plus	3,817	3,765
Liability Driven Investment	5,370	5,523
Net Current Assets	166	152
Total assets	22,297	20,007

None of the above assets includes any direct involvement in the Association's assets.

Net Liability	2021 £000s	2020 £000s
Fair value of plan assets	22,297	20,007
Present value of defined benefit obligation	24,626	20,191
Defined benefit liability recongised in Statement of Financial Position	(2,329)	(184)

Reconciliation of the opening and closing balances of the fair value of plan assets	2021 £000s	2020 £000s
Fair value of assets at start of the year	20,007	18,442
Interest income	479	430
Experience on plan assets (excl amounts included in interest income)	1,505	889
Contributions by the employer	881	727
Contributions by plan participants	179	176
Benefits paid and expenses	(754)	(657)
Fair value of plan assets at the end of the year	22,297	20,007

Notes to the financial Statements
For the year ended 31 March 2021

27. Pensions (cont'd)

Reconciliation of the opening and closing balances of the defined benefit obligation	2021 £000s	2020 £000s
Defined benefit obligation at the start of the year	20,191	22,213
Current service cost	270	370
Expenses	19	16
Interest expense	477	513
Contributions by plan participants	179	176
Actuarial (gains) due to scheme experience	(85)	177
Actuarial (gains) /losses due to changes in demographic assumptions	0	(128)
Actuarial (gains) / losses due to changes in financial assumptions	4,329	(2,489)
Benefits paid and expenses	(754)	(657)
Defined benefit obligation at the end of the year	24,626	20,191

Defined Benefit costs recognised in the Statement of Comprehensive Income	2021 £000s	2020 £000s
Current service cost	270	370
Expenses	19	16
Net interest expense	(2)	83
Defined benefit costs charged to SOCI	287	469

Defined Benefit costs recognised in the Statement of Other Comprehensive Income	2021 £000s	2020 £000s
Experience on plan assets (excl amounts included in net interest cost)	1,505	889
Experience gains and (losses) arising on the plan liabilities	85	(177)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	-	128
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(4,329)	2,489
Total actuarial gains and losses recognised in OCI	(2,739)	3,329

Notes to the financial Statements
For the year ended 31 March 2021

28. Property Stock

The number of units of accommodation owned by the Association was as follows;

	Units in Management		Units under Development	
	2021	**2020**	**2021**	**2020**
General Needs Housing	3,326	3,313	248	52
Shared Ownership Accommodation	40	40	-	-
Supported Housing Accommodation	221	221	-	-
Total Housing Stock	3,587	3,574	248	52
Other Property				
Commercial	7	7	-	-
Heritable - Association's Offices	1	1	-	-
Total Other Property	8	8	-	-

29. Other Financial Commitments

Non-cancellable operating lease rentals are payable as follows	**2021** **£000**	**2020** **£000**
Within one year	-	5
Within two to five years	-	-
	-	5

30. Lessor

At the reporting end date, the Association had contracted with tenants for the following minimum lease payments £46,377 (2020: £45,468).

31. Related Party Transactions

The Association has one wholly owned subsidiary, Willowacre Trust, a charitable company limited by guarantee. Details of transactions with the Trust are included in Note 13.

The terms applicable to tenant members of the Association are the same terms applicable to all tenants.

Rental income and associated services charges of £32,029 (2020: £33,706) were received from members of the Board who were also tenants of the Association. The aggregate balance outstanding at 31 March 2021 was £nil (2020: £nil).

During the year expenses of £545 (2020: £9,099) were reimbursed to members of the Board of Management in respect of training, travelling and subsistence costs.