



**Alexander Sloan**  
Accountants and Business Advisers

# **Dunbritton Housing Association**

Report and Financial Statements

For the year ended 31 March 2021

Registered Social Landlord No. HAL260

FCA Reference No. 2421R(S)

Scottish Charity No. SC036518



# DUNBRITTON HOUSING ASSOCIATION

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## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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# DUNBRITTON HOUSING ASSOCIATION

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## BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS YEAR ENDED 31 MARCH 2021

### Board of Management

Sephton MacQuire	Chair
Alistair Tuach	Vice Chair
Sonja Aitken	Board Member
George Morrison	Board Member
Julie Smillie	Board Member
Elizabeth McCurdy	Board Member
Councillor Gary Mulvaney	Co-optee
Councillor Brian Walker	Co-optee
Chris Chalk	Co-optee
Michael Appleton	Resigned 13/05/20
Claire Brabender	Resigned 11/09/20

### EXECUTIVE OFFICERS

Allan Murphy	Chief Executive Officer
Heather Maitz	Finance Manager
Paul Sweeney	Asset Manager
Daniel Wilson	Corporate Services Manager
Robert Murray	Housing Services Manager

### REGISTERED OFFICE

1 Hatters Lane  
Dumbarton  
G82 1AW

### EXTERNAL AUDITORS

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

### INTERNAL AUDITORS

Quinn Internal Audit & Business Support Services Ltd  
55 Lady Place  
Livingston  
EH5 6TB

### FINANCE AGENTS

FMD Financial Services Limited  
Unit 29, Ladyloan Place  
Drumchapel  
G15 8LB

### BANKERS

Bank of Scotland  
94/104 High Street  
Dumbarton  
G82 1PQ

### SOLICITOR

Harper McLeod  
Ca'd'oro Building  
45 Gordon Street  
Glasgow  
G1 3PE

# DUNBRITTON HOUSING ASSOCIATION

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## REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2021

The Board of Management presents its report and the Financial Statements for the year ended 31 March 2021.

### Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No.2421R(S)), the Scottish Housing Regulator as a registered social landlord (No.HAL260) and as a registered Scottish Charity with the charity number SC036518.

### Principal Activities

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

### Review of Business and Future Developments

Who would have thought that we would have started the financial year fit hail and hardy and ended the year amid a worldwide pandemic!

In my long housing career, I have never witnessed anything quite like it, and I am confident when I am updating this report for you next year, we will be able to measure and reflect on the impact that this pandemic has had on our daily lives both now and in the future.

At the start of the financial year the Board supported by the Management Team had agreed that our principal objective would be a move from an annual Business Plan to a 3-year Corporate Plan. In addition, the previous year had seen an in-depth review of our Risk Strategy and as part on this process we needed to ensure our risks were aligned to our emerging Strategic Objectives. However, as with all organisations the unexpected emergence of COVID 19 had been a risk that also had to be addressed during the financial year.

Despite a very challenging year we have retained a “can do” attitude and focused on our core business, which has ensured we have ended the year in a good position.

#### Corporate Plan

The Association has been working with Linda Ewart, Housing consultant to review its business planning process and move towards a 3-year Corporate Plan. In September 20 we held an event with the Board and Management Team to consider :

- The reasons for the development of a three-year Plan and the work undertaken to date.
- A more strategic focus on our objectives.
- Impact of pandemic.
- Scottish Housing Regulator recommended practice.
- Emerging risks
- SWOT and PEST – assessment, discussion, and review

From the event there were many areas for discussion and key considerations that were utilised in the production of our 3-year plan.

Our Vision and Purpose are core and fundamental to our activities and are integral to our strategic objectives. We continue to review all policies and develop robust procedures to ensure that we can deliver our key strategic objectives, whilst ensuring that we embrace a risk aware culture within the organisation..

#### Our Vision

*‘Dunbritton Housing Association’s Vision is thriving, diverse, healthy and safe communities that enhance quality of life for our customers.’*

#### Our Purpose

Dunbritton Housing Association’s Purpose is to:

- Support our customers to sustain their homes and have a better quality of life
- Work with our customers, staff and partners to achieve our Vision
- Provide good quality housing and services that are affordable and accessible to all.
- Support the physical, social and economic and environmental regeneration of our estates and the communities in our area.
- Enhance quality of life in diverse communities that are safe, sustainable and attractive.

# DUNBRITTON HOUSING ASSOCIATION

## REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2021

### Review of Business and Future Developments (Continued)

The Board agreed our Strategic Objectives that will be used to take Dunbritton forward, as a progressive and respected housing association, in the sector.

#### Strategic Objectives:

	Objective
1	Deliver excellent affordable services to our customers that meet their expectations.
2	Contribute to developing sustainable communities by providing high quality affordable housing where people want to live
3	Manage our business and resources responsibly, accountably, and sustainably.
4	Proactively engage with our partners and regulators
5	Be an inclusive and supportive employer.
6	Demonstrate strong governance and robust financial management.

#### Risk

As with all organisations there is an inextricable link between objectives and risks, and it is therefore imperative for organisations to be able to respond and mitigate against these risks.

Like most organisations Dunbritton regularly assess changes in the internal and external environments to ensure, where possible, we can identify and mitigate against any potential risks for the Association

However, in any assessment process we initially did not think that during 2020 we would need to respond to the impact of a worldwide pandemic that has impacted on our working environment and the daily lives of our staff, customers, and stakeholders.

#### COVID19

Dunbritton like all other organisations has been required to respond to the initial impact of the Corona virus.

In terms of our Business Continuity planning, initially we were required to switch from an office to remote environment to facilitate and provide our services to our customers. We responded relatively quickly and with our IT provider we had our communications systems accessible from home. We assessed the service provision that we could facilitate at the time and initially furloughed some staff on full pay. However, the majority of staff continued to work.

The Risk register was updated detailing the impact of COVID-19 and the steps employed to address these challenges. Following discussion with the Board of Management we considered our strategy in the short, medium, and long term. There were key areas that had to be considered and responded to:

#### Governance

To ensure good governance the Board of Management continued to meet (via Zoom) throughout the pandemic. The Management Team meet for regular updates and ensure the Board continues to receive information on the running of the Association.

We have continued to ensure we meet with governance arrangements and are confident we have continued to comply with our constitutional and legal obligations. We have not been required to introduce delegated authority.

The AGM was arranged via Zoom and attended by a quorate number of members, this allowed for the appointment of auditors and Board members and office bearers. We have recorded a quorum at all meetings of the Board of Management. The secretary has ensured the code of conduct has been completed and recorded all declared interest. We have also adopted the 2020 Model Rules.

All statistical returns to the Scottish Housing Regulator and we have liaised with the SHR with regards to notifiable events and detailed this to the Board.

#### Customers

We continued to remain in contact with our customers via telephone, email, web site, facetime, and newsletters. We have sent monthly bulletins to customers detailing where we have had to reduce services. We have ensured our phone system remains in use and customers have been able to contact us. We continue to survey tenants and act on this feedback. We have sought to return to normal service levels.

#### Information Technology

To ensure our systems have been robust for remote working. We upgraded our IT cyber security.

Our website has been regularly updated to reflect government guidance in relation to COVID and has been an effective tool in advising our customers of the available services.

#### Finance

SHR), FCA, (Financial Conduct Authority) OSCR (Office of Scottish Charity Regulator) have been submitted within the required timescales. All stakeholders including lenders have been fully informed during all stages of lockdown and we have met all our obligations.

# DUNBRITTON HOUSING ASSOCIATION

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## REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2021

### Review of Business and Future Developments (Continued)

Given the impact on employment and the general economy we are ensuring we maintain adequate liquidity. The position is monitored daily with regards to arrears. The Association continues to maintain a good arrears position and we have improved our arrears position (under 2%), despite the impact of COVID 19 on the general economy.

All financial reporting continued to be monitored and reported to the Board of Management. Cashflow monitored daily along with all required payments made within timescales. All loan drawdowns have been met within agreed timescales and no deposits were placed for the first six months of the year.,

We have ensured our financial health has been monitored and maintained during the emergency. All our short-term forecasts are included within the control processes with different scenario testing been carried out. All covenant compliance has been met.

Our internal audit programme is continuing, and in line with our Rules our external auditors were appointed at the 2020 AGM.

At the start of the lockdown our largest development to date of 150 units was closed for 13 weeks and we were required to review all our commitments. In addition, we raised the issue of potential rent loss with the Scottish Federation of Housing Associations (SFHA) to highlight this issue at a strategic level in the housing sector. In the longer term we will be considering the impact on our continued growth as an organisation and in particular our proposed development programme All of our proposed developments are stress tested to ensure they are a viable option for the Association. To the future we are mindful of the increased costs associated with the development of affordable homes.

#### In Summary

Overall, we have adopted a “business as usual” approach and ensured that we have responded to and have in place the correct procedures mechanisms and methodology to ensure we remain a viable business.

There are practical considerations with regards to Covid-19 that have impacted how we work and that impact on our future planning, and these are detailed in our RISK assessment and throughout the Association’s Corporate Plan.

#### Assurance Statement

Following its introduction in 2019, we have developed both our annual Assurance Statement and the associated 'evidence bank.' With the publication of the first Assurance Statements, we were able to get a flavour of the styles and formats adopted by Associations across the sector. From this we have developed both the statement itself, and the evidence that we provide to the Board to show that we remain compliant.

In considering our compliance with our legal and regulatory requirements in 2020, we have taken account of the considerable impact of the covid-19 pandemic and the consequent business, economic and social disruption that this has caused. We have complied fully with all temporary changes to legislation and policy requirements throughout the pandemic and we have reflected this within our Assurance Statement.

The Board and staff were delighted to learn at the at the annual conference of the Rural & Islands Housing Association Forum (RIHAF) Bruce Court won the development of the year.

The Annual Assurance Statement is a way for governing bodies and committees to assure firstly themselves and then tenants, people who are homeless or threatened with homelessness, Gypsy/Travellers, and other service users that they comply with regulatory requirements, or to disclose areas where they need to improve.

We have worked with Linda Ewart, Housing consultant, to ensure that we have developed an evolving process for providing the Board with assurance. In this, we have sought to ensure that the process is ongoing and not an annual task. We have looked to consider assurance in our day-to-day operations and within all matters raised at Board and Committee meetings.

Following the completion of the Assurance Statement although there were no areas of material or significant non-compliance with the regulatory framework, our ongoing process continues to include identifying areas where we can further develop or improve.

With the re-classification of housing associations as public bodies, we have strived to meet the new requirements this creates. We have developed our publication scheme and ensured that we have adopted in our decision making the consideration of both equalities and human rights. Evidence of both have been included within the evidence bank.

The Board continues to remain assured that Dunbritton Housing Association is compliant with the Regulatory Standards of Governance, Financial Management, and the requirements of Chapter Three of the Regulatory Framework.

During 2020/21 we have remained focused on our strategic objectives and our Business.

# DUNBRITTON HOUSING ASSOCIATION

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## REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2021

### Review of Business and Future Developments (Continued)

The Board is pleased to report that like previous financial years the Association has ended 2020/21 with a healthy balance sheet. The Association generated total comprehensive income of £1,018,620 and net assets totalling £11,011,578.

During 20/21 in pursuance of Value for Money we continued our procurement journey. I am pleased to report that we did a successful procurement exercise for our legal services and Messrs Harper MacLeod we reappointed for a further 3 years. We have continued to work closely with our procurement specialist and the next area for our focus will be the provision of financial services. We have also utilised the framework agreement with hub West Scotland and they will be instrumental in the completion of one of our proposed developments.

Our 'Journey to Excellence' in line with the Quality Scotland EFQM (European Foundation of Quality Management) business model has unfortunately ceased as Quality Scotland is no longer in operation due to the impact of COVID 19 on their business model. However, we are pleased that we did attain 3-star recognition. This has given the team a good foundation to use in the future. We have since pursued accreditation with IIP (Investors in People) and were delighted to receive the silver standard at the first attempt. We are now looking at areas where we can further improve Dunbritton as an attractive place to work.

The Dunbritton staff team took part in information sessions and surveys on reducing food waste and recycling increasing their understanding and awareness of climate change.



Last year I reported that we were advised of delays and increased costs to our largest development project of 150 affordable homes and our new office at Dumbarton Harbour.

I am pleased to report the Association has now moved to its new office, albeit not all staff have been working from the office due to COVID. I can also confirm that the harbour development of 150 units was fully completed by end of the financial year. As previously reported, the Scottish Government awarded the Association £281,200 towards the additional unforeseen costs with the harbour development. As the development is now complete a further application for additional funding towards the development costs will be submitted to the Scottish Government.

This particular project highlights good partnership working at the planning stage and we have also assisted Key Housing Association, who specialise supporting people to live independently in the community, with the allocation of 15 properties to utilise as a resource in the community.

Last year I reported that the Association was successful in a bid for £35,400 to Heritage Lottery Funding to run a project in our new build housing development at Dumbarton Harbour. With the support of Community Links Scotland (CLS) we have started a project, which aims to increase residents' understanding of the harbour's heritage and activities which celebrate that heritage.

At the start of the year, work was undertaken with RIG Arts to develop an on-line version of delivery and this was submitted to the National Lottery Heritage Fund. CLS provided support in relation to this and prepared responses to queries on behalf of the Association.

CLS undertook negotiations with West Dunbartonshire Council to secure match funding for this project, which included funding towards a larger sculptural frame than had originally been planned, or included, in the original bid. The match funding required, including the additional cost, was for £22,777. This brought the total project cost up to £58,177; it released Dunbritton's obligation to match fund the project themselves by £16,440 and meant they could purchase the larger sculptural frame.

Various aspects of the project were delayed, rescheduled, and re-designed because of COVID. CLS made initial contact with the schools to introduce them to RIG Arts who delivered the workshops and have been the contact between the schools and Denny Tank to arrange heritage learning sessions (still to take place) for all 3 schools. CLS supported RIG Arts and DHA in project planning meetings in September, November and January, to support the design of the project and advice on community engagement.

A community artist was appointed to facilitate workshops with the aim of creating artefacts such as benches, etched paving stones, door plaques and a viewing frame for waterside views of Dumbarton Castle. Designs have been agreed and we are presently waiting on the outcome of our planning application for the viewing point.



# DUNBRITTON HOUSING ASSOCIATION

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## REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2021

### Review of Business and Future Developments (Continued)

We also ran a school 'competition to find the house for the future. The winning entry was from Vale of Leven Academy and the school and the pupil were delighted with their monetary prize

Our Community Support Fund remains popular within our communities and we continue to fund and support local clubs and community initiatives such as The Brownies, football teams, dance schools and foodbanks.

The Association received £47k for a Covid crisis grant and used this money to help the communities in our areas of operation. The Association purchased 417 vouchers for Asda supermarket at a value of £45 for families that were struggling financially to purchase groceries. The voucher could be used within the shop or online with home delivery. Due to the Association's Charitable status, Asda kindly gave the Association a discount of 4% which enabled us to provide additional families the much-needed support.

A financial donation of £5,000 was also provided to each of the Foodbanks within our area of operation, Food for Thought in Dumbarton and Helensburgh & Lomond Foodbank. Due to the uncertainty with various sectors, unemployment looks likely to increase, therefore, the Foodbanks will be supporting larger numbers of people.

The Association was delighted to provide 979 hot meals to residents and key workers within care homes, residential homes and supported living accommodation.

Fuel payments of £95 were provided to 51 of our tenants who are not connected to the gas network.

The Association purchased various items to create an activity pack to support the mental health and wellbeing of various age groups of children residing in our properties. Each of the 3 age groups – 0-4, 5-8 and 8-12 included age-appropriate items to stimulate creative and imaginative play. 328 activity packs were delivered to the children of tenants throughout our area of operation and 8 packs were donated to the children residing in Women's Aid, a facility owned by the Association.

The response from all the Association's tenants and all the residents and key workers who benefited from the grant funding has been exceptional. Being able to help the Association's most vulnerable tenants during one of the most financially stressful times has provided the staff with pride. We have heard from tenants the impact the additional support has had on their lives which has given all staff motivation to continue their support.

Whilst Tenant consultation is of paramount importance to the Association last year this aspect of our service has been stalled due to the impact of Covid. However as we come out of the pandemic we are hopeful we will get things moving back on track during the forthcoming year.

Another good year for the Association, however we are not complacent and remain focused in an ever-changing environment. Our performance figures continue to improve in all aspects of our business, and I am delighted to report that satisfaction levels with the overall service remain in extremely high at 95%. In relation to keeping tenants informed about their services we achieved an outstanding 98%.

Welfare Reform is a major risk for all Associations and we continue to monitor the current environment to ensure that we are in a position to respond accordingly.

At the start of the year there was a great uncertainty in the Housing Association movement about home working, service delivery, support tenants and maintaining homes but I am pleased to report that Dunbritton has remained focused and the Dunbritton team has certainly pulled together to ensure it has been another good year for Dunbritton.

Despite the difficult year we have further improved our arrears management performance from last year and are now below 2%.

Overall, another excellent year for the Association and I am confident that the continuing work by the Board and staff will serve us well with the challenges we face in the coming year. DHA continues to demonstrate it is a viable and ambitious organisation, with a good reputation locally and across the housing movement in Scotland.

# DUNBRITTON HOUSING ASSOCIATION

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## REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2021

### Board of Management and Executive Officers

The members of the Board of Management and the Executive Officers are listed on Page 1.

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

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

### Statement of Board of Management's Responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on 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 of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019. It is responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

### Going Concern

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

# DUNBRITTON HOUSING ASSOCIATION

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## REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2021

### Statement on Internal Financial Control

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

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

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

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

The Board of Management 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 the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

### Donations

During the year the Association made charitable donations amounting to £400 (2020 - £3,000).

### Disclosure of Information to the Auditor

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

### Auditors

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

# DUNBRITTON HOUSING ASSOCIATION

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## REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2021

By order of the Board of Management

*Daniel Wilson*  
**DANIEL WILSON**

Secretary

23/8/2021

# DUNBRITTON HOUSING ASSOCIATION

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## REPORT BY THE AUDITORS TO THE MEMBERS OF DUNBRITTON HOUSING ASSOCIATION ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on page 8 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

### **Basis of Opinion**

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

### **Opinion**

In our opinion the Statement on Internal Financial Control on page 8 has provided the disclosures required by the relevant Regulatory Standards with the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the Board of Management, and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Board of Management's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls within the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

*Alexander Sloan*

### **ALEXANDER SLOAN**

Accountants and Business Advisers

Statutory Auditors

GLASGOW

23/8/2021



**Alexander Sloan**

Accountants and Business Advisers

# DUNBRITTON HOUSING ASSOCIATION LIMITED

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

### Opinion

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

In our opinion the financial statements:

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

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 of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Conclusions relating to going concern

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

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

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

### Other Information

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

# DUNBRITTON HOUSING ASSOCIATION LIMITED

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

### Other Information (Contd.)

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

We have nothing to report in this regard.

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

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

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

### Responsibilities of the Board of Management

As explained more fully in the statement of Board of Management's responsibilities as set out on page 7, the Board of Management is responsible for the preparation of the financial statements and for being satisfied that they give true and fair view, and for such internal control as the Board of Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

# DUNBRITTON HOUSING ASSOCIATION LIMITED

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we gained an understanding of the legal and regulatory framework applicable to the Association through discussions with the Board of Management and other management, and from our wider knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014 (and related regulations), the Housing (Scotland) Act 2010 and other laws and regulations applicable to a registered social housing provider in Scotland. We also considered the risks of non-compliance with the other requirements imposed by the Scottish Housing Regulator and we considered the extent to which non-compliance might have a material effect on the financial statements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing the Association's Assurance Statement and associated supporting information; and
- requesting all available correspondence with the Scottish Housing Regulator. HMRC and the Association's legal advisors.



# DUNBRITTON HOUSING ASSOCIATION LIMITED

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

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

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

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

### **Description of the 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 aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

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

### **Use of our Report**

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Alexander Sloan*

**ALEXANDER SLOAN**  
Accountants and Business Advisers  
Statutory Auditors  
GLASGOW  
23/8/2021



# DUNBRITTON HOUSING ASSOCIATION

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021	2020
		£	£
Revenue	2	5,472,330	5,302,342
Operating costs	2	3,984,026	3,801,862
<b>OPERATING SURPLUS</b>		<b>1,488,304</b>	<b>1,500,480</b>
Gain on sale of housing stock	7	58,814	53,203
Interest receivable and other income		550	8,084
Interest payable and similar charges	8	(184,048)	(333,458)
Other Finance income/(charges)	10	-	(8,605)
		(124,684)	(280,776)
Surplus on ordinary activities before taxation	9	1,363,620	1,219,704
<b>SURPLUS FOR THE YEAR</b>		<b>1,363,620</b>	<b>1,219,704</b>
<b>Other comprehensive income</b>			
Actuarial (losses)/gains on defined benefit pension plan	18	(345,000)	342,000
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,018,620</b>	<b>1,561,704</b>

The results relate wholly to continuing activities.

The notes on pages 19 to 39 form an integral part of these financial statements.

# DUNBRITTON HOUSING ASSOCIATION


## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
<b>NON-CURRENT ASSETS</b>					
Housing properties - depreciated cost	11		73,963,805		73,501,592
Other tangible assets	11		58,001		73,754
Investments	12		68,002		68,002
			<u>74,089,808</u>		<u>73,643,348</u>
<b>CURRENT ASSETS</b>					
Receivables	14	187,962		464,239	
Cash and cash equivalents	14	2,373,585		1,962,083	
		<u>2,561,547</u>		<u>2,426,322</u>	
<b>CREDITORS:</b> Amounts falling due within one year	15	(2,616,193)		(2,326,061)	
		<u>(2,616,193)</u>		<u>(2,326,061)</u>	
<b>(NET CURRENT LIABILITIES) / ASSETS</b>			(54,646)		100,261
			<u>(54,646)</u>		<u>100,261</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			74,035,162		73,743,609
<b>CREDITORS:</b> Amounts falling due after more than one year	16		(18,121,421)		(18,126,953)
<b>PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Scottish housing association pension scheme	18	(306,000)		(37,000)	
		<u>(306,000)</u>		<u>(37,000)</u>	
<b>DEFERRED INCOME</b>			(306,000)		(37,000)
Social housing grants	19	(43,742,788)		(44,727,736)	
Other grants	19	(853,375)		(858,957)	
		<u>(44,596,163)</u>		<u>(45,586,693)</u>	
<b>NET ASSETS</b>			<u>11,011,578</u>		<u>9,992,963</u>
<b>EQUITY</b>					
Share capital	20		86		91
Revenue reserves			11,311,992		10,024,372
Revaluation reserve			5,500		5,500
Pension reserves			(306,000)		(37,000)
			<u>11,011,578</u>		<u>9,992,963</u>

The financial statements were approved by the Board of Management and authorised for issue and signed on their behalf on 20/8/2021

  
Committee Member

  
Committee Member

  
Secretary

The notes on pages 19 to 39 form an integral part of these financial statements.

# DUNBRITTON HOUSING ASSOCIATION

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021	2020
		£	£
<b>Surplus for the Year</b>		1,363,620	1,219,704
<i>Adjustments for non-cash items:</i>			
Depreciation of tangible fixed assets	11	1,573,398	1,597,069
Amortisation of capital grants	19	(1,112,734)	(1,119,162)
Transfer of interest to financial activities		183,498	325,374
Gain on disposal of tangible fixed assets		(58,814)	(53,203)
Non-cash adjustments to pension provisions		(76,000)	(61,000)
Share capital written off	20	(9)	(5)
		<u>509,339</u>	<u>693,573</u>
<b>Operating cash flows before movements in working</b>		1,872,959	1,913,277
Change in debtors		53,829	13,315
Change in creditors		(562,624)	(98,955)
		<u>(508,795)</u>	<u>(85,640)</u>
<b>Net cash inflow from operating activities</b>		1,364,164	1,827,637
<b>Investing Activities</b>			
Acquisition and construction of properties		(2,038,351)	(8,126,387)
Purchase of other fixed assets		(15,345)	(80,477)
Social housing grant received		412,571	681,538
Social housing grant repaid		(33,416)	(136,399)
Changes on short term deposits with banks		-	750,000
Proceeds on disposal of housing properties		92,652	212,734
		<u>(1,581,889)</u>	<u>(6,698,991)</u>
<b>Net cash outflow from investing activities</b>		(1,581,889)	(6,698,991)
<b>Financing Activities</b>			
Loan Advances Received		2,069,865	6,683,367
Interest received on cash and cash equivalents		550	8,084
Interest paid on loans		(184,048)	(333,458)
Loan principal repayments		(1,257,144)	(947,091)
Share capital issued	20	4	8
		<u>629,227</u>	<u>5,410,910</u>
<b>Net cash inflow from financing activities</b>		629,227	5,410,910
<b>Increase in cash</b>	21	411,502	539,556
<b>Opening cash &amp; cash equivalents</b>		1,962,083	1,422,527
<b>Closing cash &amp; cash equivalents</b>		<u>2,373,585</u>	<u>1,962,083</u>
<b>Cash and cash equivalents as at 31 March</b>			
Cash	21	2,373,585	1,962,083
		<u>2,373,585</u>	<u>1,962,083</u>

The notes on pages 19 to 39 form an integral part of these financial statements.

# DUNBRITTON HOUSING ASSOCIATION

## STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2021

	Share Capital	Revaluation Reserve	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£	£
<b>Balance as at 1 April 2019</b>	88	10,000	(440,000)	8,861,168	8,431,256
Issue of Shares	8	-	-	-	8
Cancellation of Shares	(5)	-	-	-	(5)
Other comprehensive income	-	-	342,000	-	342,000
Revaluation in year	-	(4,500)	-	4,500	-
Other movements	-	-	61,000	(61,000)	-
Surplus for the year	-	-	-	1,219,704	1,219,704
<b>Balance as at 31 March 2020</b>	<b>91</b>	<b>5,500</b>	<b>(37,000)</b>	<b>10,024,372</b>	<b>9,992,963</b>
<b>Balance as at 1 April 2020</b>	91	5,500	(37,000)	10,024,372	9,992,963
Issue of Shares	4	-	-	-	4
Cancellation of Shares	(9)	-	-	-	(9)
Other comprehensive income	-	-	(345,000)	-	(345,000)
Revaluation in year	-	-	-	-	-
Other movements	-	-	76,000	(76,000)	-
Surplus for the year	-	-	-	1,363,620	1,363,620
<b>Balance as at 31 March 2021</b>	<b>86</b>	<b>5,500</b>	<b>(306,000)</b>	<b>11,311,992</b>	<b>11,011,578</b>

The notes on pages 19 to 39 form an integral part of these financial statements.

# DUNBRITTON HOUSING ASSOCIATION

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

### 1. PRINCIPAL ACCOUNTING POLICIES

#### Statement of Compliance and Basis of Accounting

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

#### Revenue

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

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

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

#### Retirement Benefits

The Association previously participated in the Scottish Housing Association Pension Scheme (SHAPS) a multi-employer defined benefit scheme where retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association moved during the year to the SHAPS defined contribution scheme on leaving the defined benefit scheme. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

#### Going Concern

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

# DUNBRITTON HOUSING ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

## 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

### Housing Properties

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

<i>Component</i>	<i>Useful Economic Life</i>
Kitchens	16 Years
Bathrooms	30 Years
Boilers	18 Years
Radiators	36 Years
Windows	30 Years
Internal Doors	35 Years
Rewiring	40 Years
Structures	50 Years

### Depreciation and Impairment of Other Tangible Assets

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

<i>Asset Category</i>	<i>Depreciation Rate</i>
Furniture & Fittings	25% Straight Line
Office Improvements	25% Straight Line
Office Equipment	25% Straight Line

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

### Social Housing Grants and Other Capital Grants

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

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

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

### Sales Of Housing Properties

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

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

### Taxation

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

# DUNBRITTON HOUSING ASSOCIATION

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

### 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

#### **Taxation**

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

#### **Leases**

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

#### **Works to Existing Properties**

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

#### **Capitalisation Of Development Overheads**

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

#### **Borrowing Costs**

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

#### **Property Development Cost**

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

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

#### **Housing Property Managed By Agents**

Where a third party manages the Association's housing property the accounting treatment reflects the substance of the transactions. The property is only excluded if the rights and obligations associated with the scheme has been transferred to the third party.

#### **VAT**

The Association deregistered for VAT during the year. While it was VAT registered a substantial proportion of its income was exempt for VAT purposes. As a result most of the VAT paid is not recovered and therefore expenditure is shown inclusive of VAT.

#### **Financial Instruments - Basic**

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

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



# DUNBRITTON HOUSING ASSOCIATION

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## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

##### **Cash and Liquid Resources**

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

##### **Impairment**

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

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

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

# DUNBRITTON HOUSING ASSOCIATION

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

### 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

#### Key Judgements and estimates made in the application of Accounting Policies

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

#### Key Judgements

##### *a) Categorisation of Housing Properties*

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

##### *b) Identification of cash generating units*

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

##### *c) Financial instrument break clauses*

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

##### *d) Pension Liability*

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

#### Estimation Uncertainty

##### *a) Rent Arrears - Bad Debt Provision*

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

##### *b) Life Cycle of Components*

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

##### *c) Useful life of properties, plant and equipment*

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

##### *d) Costs of shared ownership*

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

##### *e) Defined pension liability*

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

# DUNBRITTON HOUSING ASSOCIATION

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Notes	Turnover £	Operating costs £	Operating surplus / (deficit) £	Turnover £	Operating costs £	Operating surplus / (deficit) £
Affordable letting activities	3	5,325,153	3,843,321	1,481,832	5,228,920	3,716,620	1,512,300
Other Activities	4	147,177	140,705	6,472	73,422	85,242	(11,820)
<b>Total</b>		<b>5,472,330</b>	<b>3,984,026</b>	<b>1,488,304</b>	<b>5,302,342</b>	<b>3,801,862</b>	<b>1,500,480</b>

#### 3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Supported Housing £	Shared Ownership £	2021 Total £	2020 Total £
<b>Revenue from Lettings</b>					
Rent receivable net of service charges	3,728,297	257,597	115,087	4,100,981	3,987,031
Service charges receivable	-	31,790	7,850	39,640	52,608
<b>Gross income from rent and service charges</b>	<b>3,728,297</b>	<b>289,387</b>	<b>122,937</b>	<b>4,140,621</b>	<b>4,039,639</b>
Less: Rent losses from voids	494	-	-	494	1,444
<b>Income from rents and service charges</b>	<b>3,727,803</b>	<b>289,387</b>	<b>122,937</b>	<b>4,140,127</b>	<b>4,038,195</b>
Grants released from deferred income	1,002,195	68,551	49,478	1,120,224	1,145,725
Revenue grants from Scottish Ministers	64,802	-	-	64,802	45,000
Other revenue grants	-	-	-	-	-
<b>Total turnover from affordable letting activities</b>	<b>4,794,800</b>	<b>357,938</b>	<b>172,415</b>	<b>5,325,153</b>	<b>5,228,920</b>
<b>Expenditure on affordable letting activities</b>					
Management and maintenance administration costs	1,156,992	89,817	38,156	1,284,965	1,337,343
Service costs	-	31,789	7,850	39,639	52,608
Planned and cyclical maintenance, including major repairs	593,379	23,474	-	616,853	384,910
Reactive maintenance costs	345,010	14,555	-	359,565	363,318
Bad Debts - rents and service charges	-	-	-	-	12,625
Depreciation of affordable let properties	1,409,234	85,872	47,193	1,542,299	1,565,816
<b>Operating costs of affordable letting activities</b>	<b>3,504,615</b>	<b>245,507</b>	<b>93,199</b>	<b>3,843,321</b>	<b>3,716,620</b>
<b>Operating surplus on affordable letting activities</b>	<b>1,290,185</b>	<b>112,431</b>	<b>79,216</b>	<b>1,481,832</b>	<b>1,512,300</b>
<b>2020</b>	<b>1,321,695</b>	<b>117,682</b>	<b>72,923</b>		

# DUNBRITTON HOUSING ASSOCIATION

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

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

	Grants from Scottish Ministers	Other revenue grants	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2021	Operating surplus / (deficit) 2020
	£	£	£	£	£	£	£	£
Wider role activities	47,000	35,400	-	82,400	-	104,175	(21,775)	(12,364)
Investment property activities	-	-	12,800	12,800	-	-	12,800	12,383
Factoring	-	-	21,668	21,668	1,457	18,825	1,386	-
Other activities	-	-	30,309	30,309	9,986	420	19,903	(4,753)
Tenant Participation	-	-	-	-	-	5,842	(5,842)	(7,086)
<b>Total From Other Activities</b>	<b>47,000</b>	<b>35,400</b>	<b>64,777</b>	<b>147,177</b>	<b>11,443</b>	<b>129,262</b>	<b>6,472</b>	<b>(11,820)</b>
<b>2020</b>	<b>26,925</b>	<b>3,156</b>	<b>43,341</b>	<b>73,422</b>	<b>14,796</b>	<b>70,446</b>	<b>(11,820)</b>	

# DUNBRITTON HOUSING ASSOCIATION

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

### 5. OFFICERS' EMOLUMENTS

	2021 £	2020 £
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Board of Management, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions and social security payments)	<u>74,447</u>	<u>74,628</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>5,810</u>	<u>5,607</u>
Emoluments payable to Chief Executive Officer (excluding pension contributions and social security payments)	74,447	74,628
Pension contributions paid on behalf of the Chief Executive Officer	5,810	5,607
Total emoluments payable to the Chief Executive Officer	<u>80,257</u>	<u>80,235</u>
Total emoluments paid to key management personnel (excluding social security payments)	<u>302,773</u>	<u>303,041</u>
The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-		
	<b>Number</b>	<b>Number</b>
£60,001 to £70,000	1	1
£80,001 to £90,000	<u>1</u>	<u>1</u>

### 6. EMPLOYEE INFORMATION

	2021 No.	2020 No.
Average monthly number of full time equivalent persons employed during the year	<u>20</u>	<u>20</u>
Average total number of employees employed during the year	<u>24</u>	<u>25</u>
Staff costs were:	£	£
Wages and salaries	758,921	765,571
National insurance costs	75,600	70,955
Pension costs	69,869	75,757
	<u>904,390</u>	<u>912,283</u>

During the year the Association made contributions of £74,846 (£78,853 - 2020) towards the past service deficit of the Scottish Housing Association Pension Scheme.

# DUNBRITTON HOUSING ASSOCIATION

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

### 7. GAIN ON SALE OF HOUSING STOCK

	2021	2020
	£	£
Sales proceeds	101,229	102,898
Cost of sales	42,415	49,695
Gain on sale of housing stock	<u>58,814</u>	<u>53,203</u>

### 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£	£
On bank loans and overdrafts	450,609	381,740
Less: Interest Capitalised on developments	(266,561)	(48,282)
	<u>184,048</u>	<u>333,458</u>

### 9. SURPLUS FOR THE YEAR

	2021	2020
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	1,573,398	1,597,069
Auditors' remuneration - audit services	8,694	8,280

### 10. OTHER FINANCE INCOME / (CHARGES)

	2021	2020
	£	£
Net interest on pension obligations	<u>-</u>	<u>(8,605)</u>

# DUNBRITTON HOUSING ASSOCIATION

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

### 11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
<b>COST</b>				
At 1 April 2020	71,177,632	20,014,747	2,676,706	93,869,085
Additions	112,662	1,925,689	-	2,038,351
Disposals	(92,376)	-	(67,058)	(159,434)
Transfers	-	-	-	-
At 31 March 2021	<u>71,197,918</u>	<u>21,940,436</u>	<u>2,609,648</u>	<u>95,748,002</u>
<b>DEPRECIATION</b>				
At 1 April 2020	19,270,483	-	1,097,010	20,367,493
Charge for Year	1,495,107	-	47,193	1,542,300
Transfers	-	-	-	-
Disposals	(92,376)	-	(33,220)	(125,596)
At 31 March 2021	<u>20,673,214</u>	<u>-</u>	<u>1,110,983</u>	<u>21,784,197</u>
<b>NET BOOK VALUE</b>				
At 31 March 2021	<u>50,524,704</u>	<u>21,940,436</u>	<u>1,498,665</u>	<u>73,963,805</u>
At 31 March 2020	<u>51,907,149</u>	<u>20,014,747</u>	<u>1,579,696</u>	<u>73,501,592</u>

	2021		2020	
	Component replacement £	Non-component £	Component replacement £	Non-component £
<b>Expenditure on Existing Properties</b>				
Amounts capitalised	112,662	-	543,208	-
Amounts charged to the statement of comprehensive income	-	976,418	-	748,228
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

All land and housing properties are heritable.

Additions to housing properties include capitalised development administration costs of £21,951 (2020-£21,452)

The Association's lenders have standard securities over housing property with a carry value of £41,921,415 (2020 - £42,686,140)

# DUNBRITTON HOUSING ASSOCIATION

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

### 11. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Equipment £	Furniture & Fittings £	Office Improvements £	Total £
<b>COST</b>				
At 1 April 2020	217,710	129,551	23,169	370,430
Additions	5,114	10,231	-	15,345
Eliminated on disposals	-	-	-	-
At 31 March 2021	<u>222,824</u>	<u>139,782</u>	<u>23,169</u>	<u>385,775</u>
<b>DEPRECIATION</b>				
At 1 April 2020	199,328	74,179	23,169	296,676
Charge for year	9,205	21,893	-	31,098
Eliminated on disposals	-	-	-	-
At 31 March 2021	<u>208,533</u>	<u>96,072</u>	<u>23,169</u>	<u>327,774</u>
<b>NET BOOK VALUE</b>				
At 31 March 2021	<u>14,291</u>	<u>43,710</u>	<u>-</u>	<u>58,001</u>
At 31 March 2020	<u>18,382</u>	<u>55,372</u>	<u>-</u>	<u>73,754</u>

### 12. FIXED ASSET INVESTMENTS

	2021 £	2020 £
Subsidiary undertakings	2	2
Investment properties	68,000	68,000
	<u>68,002</u>	<u>68,002</u>

#### Subsidiary Undertakings

Dunbritton Housing Association has the following wholly owned subsidiary undertakings. The registered office of the subsidiary is 1 Hatters Lane, Dumbarton, G82 1AW.

#### Investment Properties

	2021 £	2020 £
At 1 April 2020 and 31 March 2021	68,000	68,000
	<u>68,000</u>	<u>68,000</u>
	<u>68,000</u>	<u>68,000</u>
At 1 April 2020	68,000	72,500
Revaluations taken to the statement of comprehensive income	-	(4,500)
At 31 March 2021	<u>68,000</u>	<u>68,000</u>

Investment properties were valued by Whitelaw Baikie Figes, an independent qualified surveyor, on 31 March 2021.



# DUNBRITTON HOUSING ASSOCIATION

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

### 15. RECEIVABLES

	2021	2020
	£	£
Gross arrears of rent & service charges	80,907	105,884
<b>Less:</b> Provision for doubtful debts	(49,323)	(49,376)
<i>Net arrears of rent and service charges</i>	31,584	56,508
Social housing grant receivable	94,609	317,057
Other receivables	61,769	90,674
	<u>187,962</u>	<u>464,239</u>

### 18. CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash at bank and in hand	2,373,585	1,962,083
	<u>2,373,585</u>	<u>1,962,083</u>

### 15. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans	1,422,070	603,817
Trade payables	162,303	233,684
Rent received in advance	133,653	124,480
Social housing grant in advance	243,193	208,690
Other payables	640,176	622,258
Accruals and deferred income	14,798	533,132
	<u>2,616,193</u>	<u>2,326,061</u>

# DUNBRITTON HOUSING ASSOCIATION

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

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

	2021	2020
	£	£
Bank loans	18,121,421	18,126,953
	<u>18,121,421</u>	<u>18,126,953</u>

### 17. DEBT ANALYSIS - BORROWINGS

	2021	2020
	£	£
<b>Bank Loans</b>		
Amounts due within one year	1,422,070	603,817
Amounts due in one year or more but less than two years	1,432,458	607,371
Amounts due in two years or more but less than five years	4,202,710	1,843,759
Amounts due in more than five years	12,486,253	15,675,823
	<u>19,543,491</u>	<u>18,730,770</u>

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

<b>Lender</b>	<b>Effective Interest Rate</b>	<b>Maturity (Year)</b>	<b>Variable or Fixed</b>
Fixed	Circa 2.5% all in rate	2027	Fixed
Fixed	Circa 5% all in rate	2027	Fixed
Fixed	Circa 3.34% all in rate	2029	Fixed
Variable	Circa 0.74% all in rate	2028	Variable
Variable	Circa 1.85% all in rate	2029	Variable
Variable	Circa 2.1% all in rate	2030	Variable
Variable	Circa 3.05% all in rate	2028	Variable
Variable	Circa 1.85% all in rate	2043	Variable

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

In accordance with FRS 102 the Association's bank borrowings are valued using at amortised cost using the effective interest rate method.

	2021	2020
	£	£
Due to lenders At 31 March 2021	19,666,355	18,774,384
Effective interest rate adjustment	(122,864)	(43,614)
	<u>19,543,491</u>	<u>18,730,770</u>

# DUNBRITTON HOUSING ASSOCIATION

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

### 18. RETIREMENT BENEFIT OBLIGATIONS

#### Scottish Housing Association Pension Scheme

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

In September 2020 the Association withdrew from the defined benefit scheme with all remaining members moving onto the Scottish Housing Association Pension defined contribution scheme.

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

The last valuation of the Scheme was performed as at 30 September 2018 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £877m. The valuation revealed a shortfall of assets compared with the value of liabilities of £121m (equivalent to a past service funding level of 89%). A recovery plan is in place to eliminate the past service deficit which will run to either 30 September 2022 or 31 March 2022 (depending on funding levels) for the majority of employers, although certain employers have different arrangements.

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

In 2019 TPT Retirement Solutions, the administrator of the Scheme developed a method of determining the share of assets and liabilities for individual employers. This method was adopted by the Association in 2019 and resulted in an adjustment to the opening pension liability recognised in the statement of financial position of -£94,000.

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

	2021	2020
	£	£
Fair value of plan assets	2,806,029	2,497,000
Present value of defined benefit obligation	3,112,029	2,534,000
(Deficit) / Surplus in plan	<u>(306,000)</u>	<u>(37,000)</u>
Defined benefit (liability) / asset to be recognised	<u>(306,000)</u>	<u>(37,000)</u>

# DUNBRITTON HOUSING ASSOCIATION

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

## 18. RETIREMENT BENEFIT OBLIGATIONS (continued)

### Scottish Housing Association Pension Scheme (continued.)

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

	2021	2020
	£	£
Defined benefit obligation at the start of period	2,533,640	2,840,640
Current service cost	6,000	19,000
Expenses	2,000	2,000
Interest expense	60,000	65,000
Contributions by plan participants	4,389	11,000
Actuarial losses / (gains) due to scheme experience	22,000	(9,000)
Actuarial losses (gains) due to changes in demographic assumptions	-	(16,000)
Actuarial losses / (gains) due to changes in financial assumptions	534,000	(308,000)
Benefits paid and expenses	(50,000)	(71,000)
Defined benefit obligation at the end of period	<u>3,112,029</u>	<u>2,533,640</u>

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

	2021	2020
	£	£
Fair value of plan assets at start of period	2,496,640	2,400,640
Interest income	60,000	56,000
Experience on plan assets (excluding amounts included in interest income) - gain / (loss)	211,000	9,000
Contributions by the employer	84,000	91,000
Contributions by plan participants	4,389	11,000
Benefits paid and expenses	(50,000)	(71,000)
Fair value of plan assets at the end of period	<u>2,806,029</u>	<u>2,496,640</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £271,000 (£65,000 - 2020)

# DUNBRITTON HOUSING ASSOCIATION

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

## 18. RETIREMENT BENEFIT OBLIGATIONS (continued)

### Scottish Housing Association Pension Scheme (continued.)

#### Defined benefit costs recognised in the statement of comprehensive income

	2021	2020
	£	£
Current service cost	6,000	19,000
Expenses	2,000	2,000
Net interest expense	-	9,000
	<u>8,000</u>	<u>30,000</u>

#### Defined benefit costs recognised in the other comprehensive income

	2021	2020
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	211,000	9,000
Experience gains and losses arising on plan liabilities - (loss) / gain	(22,000)	9,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	-	16,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - (loss) / gain	(534,000)	308,000
	<u>(345,000)</u>	<u>342,000</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - (loss) / gain	(345,000)	342,000
	<u>(345,000)</u>	<u>342,000</u>

# DUNBRITTON HOUSING ASSOCIATION

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

### 18. RETIREMENT BENEFIT OBLIGATIONS (continued)

#### Scottish Housing Association Pension Scheme (continued.)

##### Assets

	2021	2020	2019
	£	£	£
Absolute Return	138,000	153,000	203,000
Alternative Risk Premia	113,000	200,000	134,000
Corporate Bond Fund	212,000	182,000	168,000
Credit Relative Value	81,000	60,000	42,000
Distressed Opportunities	96,000	46,000	41,000
Emerging Markets Debt	113,000	89,000	77,000
Fund of Hedge Funds	-	-	7,000
Global Equity	434,000	343,000	386,000
Infrastructure	157,000	147,000	101,000
Insurance-Linked Securities	59,000	67,000	62,000
Liability Driven Investment	674,000	658,000	854,000
Long Lease Property	65,000	61,000	29,000
Net Current Assets	21,000	19,000	2,000
Over 15 Year Gilts	1,000	32,000	62,000
Private Debt	66,000	49,000	31,000
Property	50,000	47,000	48,000
Risk Sharing	100,000	79,000	70,000
Secured Income	154,000	139,000	84,000
Opportunistic Illiquid Credit	72,000	61,000	-
Liquid Credit	48,000	65,000	-
High Yield	74,000	-	-
Opportunistic Credit	77,000	-	-
Cash	1,000	-	-
Total assets	<u>2,806,000</u>	<u>2,497,000</u>	<u>2,401,000</u>

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

##### Key Assumptions

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

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

	Life expectancy at age 65 (years)
Male retiring in 2019	21.5
Female retiring in 2019	23.4
Male retiring in 2039	22.8
Female retiring in 2039	<u>25</u>

# DUNBRITTON HOUSING ASSOCIATION

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

### 19. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
<b>Capital grants</b>			
At 1 April 2020	44,727,736	858,957	45,586,693
Additions in the year	155,620	-	155,620
Eliminated on disposal	(33,416)	-	(33,416)
Amortisation in year	(1,107,152)	(5,582)	(1,112,734)
At 31 March 2021	<u>43,742,788</u>	<u>853,375</u>	<u>44,596,163</u>
At 31 March 2020	<u>44,727,736</u>	<u>858,957</u>	<u>45,586,693</u>

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

	2021 £	2020 £
Amounts due within one year	1,565,700	1,145,725
Amounts due in more than one year	43,030,463	44,440,968
	<u>44,596,163</u>	<u>45,586,693</u>

### 20. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2021 £	2020 £
At 1 April	91	88
Issued in year	4	8
Cancelled in year	(9)	(5)
At 31 March	<u>86</u>	<u>91</u>

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

# DUNBRITTON HOUSING ASSOCIATION

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

### 21. CASH FLOWS

#### Reconciliation of net cash flow to movement in net debt

	£	2021 £	£	2020 £
Increase in cash	411,502		539,556	
Change in liquid resources	-		(750,000)	
Cashflow from change in net debt	(812,721)		(5,736,276)	
Movement in net debt during the year		(401,219)		(5,946,720)
Net debt at 1 April		(16,768,687)		(10,821,967)
Net debt at 31 March		(17,169,906)		(16,768,687)

Analysis of changes in net debt	At 01 April 2020 £	Cashflows £	Other Changes £	At 31 March 2021 £
Cash and cash equivalents	1,962,083	411,502	-	2,373,585
Debt: Due within one year	1,962,083	411,502	-	2,373,585
Due after more than one year	(603,817)	(812,721)	(5,532)	(1,422,070)
	(18,126,953)	-	5,532	(18,121,421)
Net debt	(16,768,687)	(401,219)	-	(17,169,906)

### 22. CAPITAL COMMITMENTS

	2021 £	2020 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	1,089,128	2,408,665

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

### 23. COMMITMENTS UNDER OPERATING LEASES

	2021 £	2020 £
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
<b>Land and Buildings</b>		
Expiring in the next year	-	3,500
<b>Other</b>		
Expiring in the next year	2,808	2,808
Expiring later than one year and not later than five years	2,106	7,721
Expiring later than five years	-	-



# DUNBRITTON HOUSING ASSOCIATION

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

### 24. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 1 Hatters Lane, Dumbarton, G82 1AW, .

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in West Dunbartonshire & Argyll & Bute.

### 25. BOARD OF MANAGEMENT MEMBER EMOLUMENTS

Board of Management members received £63 (2020 - £5,385) in the year by way of reimbursement of expenses. No remuneration is paid to Board of Management members in respect of their duties to the Association.

# DUNBRITTON HOUSING ASSOCIATION

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

### 26. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2021 No.	2020 No.
General needs - Built by Association	735	584
General Needs - Rehabilitation	228	228
Shared ownership	44	46
Supported housing	22	23
	<u>1,029</u>	<u>881</u>

### 27. RELATED PARTY TRANSACTIONS

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

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

Transactions between the Association and members of the Board of Management (and their close family) were as follows:

	2021 £	2020 £
Rent received from tenants on the Board of Management and their close family members	<u>17,128</u>	<u>9,508</u>

At the year end total rent arrears owed by the tenant members on the Board of Management (and their close family) were £275 (2020 - £496).

Members of the Board of Management who are tenants	4	2
Members of the Board of Management who are local councillors	2	2