

# YOKER HOUSING ASSOCIATION LIMITED

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REPORT & FINANCIAL STATEMENTS 31st March 2019

Yoker Housing Association Limited

Incorporated on the 15th of June 1979

2310 Dumbarton Road, Yoker, Glasgow G14 0JS

FCA Registration No. 1998(R)S, Registered with The Scottish Housing Regulator No. HAL 208, Scottish Charity No. SC 036604

# YOKER HOUSING ASSOCIATION LIMITED

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## REPORT & FINANCIAL STATEMENTS 31st March 2019

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# YOKER HOUSING ASSOCIATION LIMITED

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## REPORT & FINANCIAL STATEMENTS 31st March 2019

### MANAGEMENT COMMITTEE, EXECUTIVES & ADVISERS

#### Management Committee

M. Walker, Chairperson (Re-elected 21.09.16)  
P. Elsby, Vice-Chairperson (Re-elected 21.09.16)

M. Ballantyne (Elected 19.09.18)  
E. Busby (Re-elected 23.08.17)  
P. Colvin (Elected 23.08.17)  
Cllr M. Cullen (Co-opted 30.10.18, retired 26.03.19)  
A. Fleming (Re-elected 23.08.17)  
A. Jarvis (Elected 19.09.18)  
T. Jurkus (Elected 19.09.18)  
R. Kaczmarek (Appointed 19.12.17, ceased effective 21.08.18)  
B. O'Hanlon (Re-elected 23.08.17)  
M. Parker (Elected 21.09.16)  
J. Porter (Re-elected 19.09.18)  
G. Shields (Co-Opted 30.10.18)  
D. Smith, Secretary (Re-elected 21.09.16, retired 19.09.18)  
C. Walker (Elected 19.09.18)  
A. Wronowska (Re-elected 19.09.18)

#### Secretary

Kevin R. Freeman

#### Executive Officer

Christopher J. Forrest B.Acc., C.A., Director

#### Registered Office

2310 Dumbarton Road  
Yoker  
Glasgow  
G14 0JS

#### Auditors (External)

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

#### Auditors (Internal)

Wylie & Bisset LLP  
Chartered Accountants  
168 Bath Street  
Glasgow  
G2 4TP

#### Bankers

The Bank of Scotland plc  
The Mound  
Edinburgh  
EH1 1YZ

#### Solicitors

Mitchells Robertson, Solicitors  
George House  
36 North Hanover St  
Glasgow  
G1 2AD

MacRoberts, Solicitors  
Excel House  
30 Semple St  
Edinburgh  
EH3 8BL

# YOKER HOUSING ASSOCIATION LIMITED

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## REPORT & FINANCIAL STATEMENTS 31st March 2019

### REPORT OF THE MANAGEMENT COMMITTEE

The Management Committee presents its Report and Financial Statements for the year ended 31st March 2019 .

#### Legal Status

The Association is registered as a non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.1998(R)S. The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC036604.

#### Principal Activities

The Association is a Registered Scottish Charity and provides relief to those in need by reason of age, ill health (whether related to mental or physical health), disability (whether due to mental or physical health issues or learning disabilities), financial hardship or other disadvantage, both to individual persons or to a group of persons with similar needs and issues by:

1. providing, constructing, improving and managing land, accommodation and associated facilities and providing care;
2. providing or arranging home maintenance repair and improvement services and providing facilities and services for the benefit of such people either exclusively for them or together with other persons;
3. undertaking any activities which are charitable, allowed under section 58 of the Housing (Scotland) Act 2011, including any statutory amendment or re-enactment of the provisions of the section from time to time being in force; and
4. carrying on any other charitable activities permitted by registered social landlords from time to time.

#### Review of Business and Future Developments

The Association's overall aim is to help sustain the community of Yoker through the provision of quality housing and services, which will meet the diverse needs and aspirations of its customers.

The Association is also currently pursuing the development of the site of the former Blawarthill Hospital for new housing. Although this development opportunity is not likely to yield a large number of housing units, it does have funding support from Glasgow City Council. The development of highly energy efficient "passive" housing is being considered subject to the outcome of a review of the costs of such a project. This development will commence before the end of 2018.

While construction and development of new housing for rent continues to be pursued by the Association, resources are also being applied to planned and major repairs and maintenance of existing housing stock. The Association is also committed to a programme of acquiring tenement properties in order to obtain or strengthen control and facilitate common repairs and improvements.

The members of the Management Committee are of the opinion that the state of affairs of the Association is satisfactory. The surplus for the year, after taxation, was £912,822 (2018 - £874,860). Net Assets now stand at £13,258,906 (2018 - £12,346,065).

#### The Past

The Association has 639 properties for rent and provides management services to 279 properties in the ownership of others. The Association has continued to manage and maintain these houses to a high standard, reinforcing its commitment to good quality houses at affordable rents.

#### Current year

The Association has continued to invest in its housing stock and to maintain the standard of properties that it offers to residents through its programme of planned repairs, reactive repairs and property inspections.

The Association has continued to work towards maintaining performance in repair response times, arrears levels, void property losses and customer service over the past year.

#### The Future

The Association will focus on maintaining the high levels of performance that it has achieved. The Association's overall focus will also be on working towards the objectives and targets agreed within its Business Plan and ensuring that it achieves value for money and improvement in all its areas of operation.

# YOKER HOUSING ASSOCIATION LIMITED

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## REPORT & FINANCIAL STATEMENTS 31st March 2019

### REPORT OF THE MANAGEMENT COMMITTEE (Continued)

#### Management Committee & Executive Officers

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

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

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

#### Statement of Management Committee's Responsibilities

The Co-operative and Community Benefit Societies Act 2014 requires the Management Committee to prepare Financial Statements for each financial year 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 Management Committee is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 Management Committee are 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 2014 and the Scottish Housing Regulator's Determination of Accounting Requirements 2014. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring the Association's suppliers are paid promptly.

The Management Committee must, in determining how amounts are presented within items in the statement of comprehensive income and statement of financial position, have regard to the substance of the reported transaction or arrangement in accordance with generally accepted accounting principles and practice.

In so far as the Management Committee are aware:

- there is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Housing Association's auditors are unaware; and
- the Management Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

# YOKER HOUSING ASSOCIATION LIMITED

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## REPORT & FINANCIAL STATEMENTS 31st March 2019

### REPORT OF THE MANAGEMENT COMMITTEE (Continued)

#### Statement on Internal Financial Control

The Management Committee acknowledge their 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; and
- the safeguarding of assets against unauthorised use or disposition.

It is the Management Committee's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements 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 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 Management Committee to monitor the key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee receive reports from management and from the external and internal auditors, to provide reasonable assurance that internal financial controls are in place and are effective 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 governing body has reviewed the effectiveness of the systems of internal financial control in existence in the Association for the year ended 31 March 2019. 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 £800 (2018 - £800).

#### Auditors

A resolution to re-appoint the Auditors, Alexander Sloan, will be proposed at the Annual General Meeting.

By order of the Management Committee



Kevin R. Freeman  
Secretary

Glasgow, 30th April 2019

# YOKER HOUSING ASSOCIATION LIMITED

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## REPORT & FINANCIAL STATEMENTS 31st March 2019

### REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF YOKER HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on Page 4 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory 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 4 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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



ALEXANDER SLOAN  
Accountants and Business Advisers

Glasgow, 30th April 2019

# YOKER HOUSING ASSOCIATION LIMITED

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## REPORT & FINANCIAL STATEMENTS 31st March 2019

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YOKER HOUSING ASSOCIATION LIMITED

#### Opinion

We have audited the financial statements of Yoker Housing Association Limited (the "Association") for the year ended 31 March 2019 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).

This report is made solely to the Association's members, as a body, in accordance with the Co-operative and Community Benefit Society 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.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31st March 2019 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 properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements 2014.

#### 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 Management Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Management Committee 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 Management Committee 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.

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

In the light of our knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Management Committee.

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.



# YOKER HOUSING ASSOCIATION LIMITED

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## REPORT & FINANCIAL STATEMENTS 31st March 2019

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YOKER HOUSING ASSOCIATION LIMITED (Continued)

#### Responsibilities of the Management Committee

As explained more fully in the Statement of Management Committee's Responsibilities as set out on Page 3, the Management Committee 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 Management Committee 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 Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of the Management Committee use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Association's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



ALEXANDER SLOAN  
Accountants and Business Advisers  
Statutory Auditors  
GLASGOW  
30th April 2019

# YOKER HOUSING ASSOCIATION LIMITED

## REPORT & FINANCIAL STATEMENTS 31st March 2019

### STATEMENT OF COMPREHENSIVE INCOME for the Year Ended 31st March 2019

|  | Notes | 2019                  | 2018                  |
|--|-------|-----------------------|-----------------------|
|  |       | £                     | £                     |
| REVENUE                                | 2     | 3,177,030             | 3,214,402             |
| Operating Costs                        | 2     | <u>(2,282,880)</u>    | <u>(2,364,741)</u>    |
| OPERATING SURPLUS                      | 7     | 894,150               | 849,661               |
| Gain / (Loss) on Sale of Housing Stock | 8     | -                     | (5,639)               |
| Interest Receivable and Other Income   |       | 18,672                | 12,097                |
| Other Finance Income / (Charges)       | 10    | <u>-</u>              | <u>18,741</u>         |
|  |       | 18,672                | 25,199                |
| <b>SURPLUS FOR YEAR</b>                |       | <u><u>912,822</u></u> | <u><u>874,860</u></u> |

The Notes on pages 12 to 21 form part of this report and financial statements. All amounts relate to continuing operations.

# YOKER HOUSING ASSOCIATION LIMITED

## REPORT & FINANCIAL STATEMENTS 31st March 2019

### STATEMENT OF FINANCIAL POSITION as at the 31st of March 2019

|   | Notes | 2019         |                     | 2018                |                   |
|---|-------|--------------|---------------------|---------------------|-------------------|
|   |       | £            | £                   | £                   | £                 |
| <b>NON CURRENT ASSETS</b>                                     |       |              |                     |                     |                   |
| Housing Properties - Depreciated Cost                         | 13    |              | 31,337,182          |                     | 32,014,250        |
| Other Non Current Assets                                      | 13    |              | 1,349,429           |                     | 1,367,359         |
|   |       |              | <u>32,686,611</u>   |                     | <u>33,381,609</u> |
| <b>CURRENT ASSETS</b>   |       |              |                     |                     |                   |
| Inventories   |       | 3,531        |                     | 4,041               |                   |
| Receivables   | 14    | 62,557       |                     | 52,518              |                   |
| Cash at bank and in hand                                      |       | 3,639,036    |                     | 2,581,118           |                   |
|   |       |              | <u>3,705,124</u>    | <u>2,637,677</u>    |                   |
| <b>PAYABLES:</b> Amounts falling due within one year          | 15    | (415,699)    |                     | (288,909)           |                   |
|   |       |              | <u>3,289,425</u>    | <u>2,348,768</u>    |                   |
| <b>NET CURRENT ASSETS</b>                                     |       |              |                     |                     |                   |
|   |       |              | <u>35,976,036</u>   | <u>35,730,377</u>   |                   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                  |       |              |                     |                     |                   |
| <b>PAYABLES:</b> Amounts falling due after more than one year |       |              | -                   |                     | -                 |
| <b>DEFERRED INCOME</b>  |       |              |                     |                     |                   |
| Social Housing Grants   | 17    | (22,717,130) |                     | (23,384,312)        |                   |
|   |       |              | <u>(22,717,130)</u> | <u>(23,384,312)</u> |                   |
| <b>NET ASSETS</b>   |       |              |                     |                     |                   |
|   |       |              | <u>13,258,906</u>   | <u>12,346,065</u>   |                   |
| <b>EQUITY</b>   |       |              |                     |                     |                   |
| Share Capital   | 18    |              | 312                 |                     | 293               |
| Revenue Reserves  |       |              | 13,258,594          |                     | 12,345,772        |
|   |       |              | <u>13,258,906</u>   | <u>12,346,065</u>   |                   |

Signed on behalf of the Management Committee on 30th April 2019



M Walker  
*Chairperson*



A Fleming  
*Committee Member*



A Wronowska  
*Committee Member*

# YOKER HOUSING ASSOCIATION LIMITED

## REPORT & FINANCIAL STATEMENTS 31st March 2019

### STATEMENT OF CASH FLOWS for the year ended 31st March 2019

|   | Notes | 2019                    | 2018                    |
|---|-------|-------------------------|-------------------------|
|   |       | £                       | £                       |
| <b>Net Cash Inflow from Operating Activities</b>                    | 16    | 1,244,674               | 568,413                 |
| <b>Investing Activities</b>   |       |                         |                         |
| Acquisition and Construction of Properties                          |       | (379,906)               | (287,230)               |
| Purchase of Other Fixed Assets                                      |       | (61,206)                | (5,390)                 |
| Social Housing Grant Received                                       |       | 218,243                 | 181,419                 |
| Social Housing Grant Repaid   |       | -                       | (70,485)                |
| Proceeds on Disposal of Properties                                  |       | -                       | 92,520                  |
| Proceeds on Disposal of Other Fixed Assets                          |       | 16,750                  | -                       |
| <b>Net Cash (Outflow) from Investing Activities</b>                 |       | <u>(206,119)</u>        | <u>(89,166)</u>         |
| <b>Net Cash Inflow before use of Liquid Resources and Financing</b> |       | 1,038,555               | 479,247                 |
| <b>Financing Activities</b>   |       |                         |                         |
| Interest Received on Cash and Cash Equivalents                      |       | 19,334                  | 11,747                  |
| Share Capital Issued  |       | 29                      | 25                      |
| <b>Net Cash Inflow from Financing Activities</b>                    |       | <u>19,363</u>           | <u>11,772</u>           |
| <b>Increase in Cash</b>   |       | 1,057,918               | 491,019                 |
| <b>Opening Cash and Cash Equivalents</b>                            |       | <u>2,581,118</u>        | <u>2,090,099</u>        |
| <b>Closing Cash and Cash Equivalents</b>                            |       | <u><u>3,639,036</u></u> | <u><u>2,581,118</u></u> |

# YOKER HOUSING ASSOCIATION LIMITED

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## REPORT & FINANCIAL STATEMENTS 31st March 2019

### STATEMENT OF CHANGES IN EQUITY for the Year Ended 31st March 2019

|                             | Share<br>Capital<br>£ | Revenue<br>Reserve<br>£ | Total<br>£        |
|-----------------------------|-----------------------|-------------------------|-------------------|
| Balance as at 1 April 2018  | 293                   | 12,345,772              | 12,346,065        |
| Issue of Shares             | 29                    | -                       | 29                |
| Cancellation of Shares      | (10)                  | -                       | (10)              |
| Surplus For Year            | -                     | 912,822                 | 912,822           |
| Balance as at 31 March 2019 | <u>312</u>            | <u>13,258,594</u>       | <u>13,258,906</u> |

# YOKER HOUSING ASSOCIATION LIMITED

## REPORT & FINANCIAL STATEMENTS 31st March 2019

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. PRINCIPAL ACCOUNTING POLICIES

##### Statement of Compliance

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 2014. The Association is a public benefit entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods beginning on or after the 1st of January 2015.

##### Revenue

The Association recognises rent receivable net of losses from voids. Service charge income (net of voids) is recognised when expenditure 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 it relates.

##### Retirement Benefits

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

The Association accounts for amounts that it has agreed to pay towards the Scheme deficit in accordance with paragraph 28.11A of FRS102. The present value of this liability has been recognised in the Statement of Financial Position. The discount rate applied to this obligation is that of a yield rate for a high quality corporate bond.

##### Valuation of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 12. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

| <u>Component</u>               | <u>Useful Economic Life</u> |
|--------------------------------|-----------------------------|
| Structure                      | 50 yrs                      |
| Windows                        | 25 yrs                      |
| Central heating boilers        | 15 yrs                      |
| Central heating infrastructure | 25 yrs                      |
| Kitchens                       | 15 yrs                      |
| Bathrooms                      | 15 yrs                      |
| Electrical infrastructure      | 25 yrs                      |
| Lifts                          | 25 yrs                      |

##### Depreciation and Impairment of Other Non-Current Assets

Non-Current Assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:-

|                         |       |
|-------------------------|-------|
| Office premises         | - 2%  |
| Furniture and equipment | - 25% |
| Motor vehicles          | - 20% |

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

# YOKER HOUSING ASSOCIATION LIMITED

## REPORT & FINANCIAL STATEMENTS 31st March 2019

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

##### **Social Housing Grant And Other Grants In Advance / Arrears**

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.

Social Housing Grant received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

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**

Disposals of housing properties under the Right to Buy scheme are treated as non-current asset disposals and any gain or loss on disposal is accounted for in the Statement of Comprehensive Income.

##### **Estimation Uncertainty**

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying Yoker Housing Association Limited'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, is disclosed below:

##### 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.

##### 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.

##### **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.

##### **Key Judgements made in the application of Accounting Policies**

##### a) The Categorisation of Housing Properties

In the judgement of the Management Committee the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS102.

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

The Association considers its cash-generating units to be the individual housing property units which it manages for asset management purposes.

##### c) Pension Liability

The Association understands that TPT Retirement Solutions (TPT), the Scottish Housing Associations' Pension Scheme's (SHAPS) administrators, intend to provide individual Associations with the option of obtaining a report detailing an estimate of their pension liabilities at their financial year end. That estimate of liabilities is to be used to allocate scheme assets to each individual Association on a pro-rata basis to facilitate defined benefit accounting disclosures. However the Management Committee does not consider that the method adopted in allocating assets on that basis provides sufficient information to facilitate defined benefit accounting disclosures with reasonable certainty. Accordingly, the Management Committee does not consider that there is sufficient information available to account for SHAPS as a defined benefit scheme in accordance with Financial Reporting Standard 102.

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

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.

# YOKER HOUSING ASSOCIATION LIMITED

## REPORT & FINANCIAL STATEMENTS 31st March 2019

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 2. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS

|                               | Notes | 2019             |                      |                                    | 2018             |                      |                                    |
|-------------------------------|-------|------------------|----------------------|------------------------------------|------------------|----------------------|------------------------------------|
|                               |       | Revenue<br>£     | Operating Costs<br>£ | Operating Surplus / (Deficit)<br>£ | Revenue<br>£     | Operating Costs<br>£ | Operating Surplus / (Deficit)<br>£ |
| Affordable Letting Activities | 3     | 3,141,263        | (2,291,014)          | 850,249                            | 3,177,700        | (2,325,319)          | 852,381                            |
| Other Activities              | 4     | 35,767           | 8,134                | 43,901                             | 36,702           | (39,422)             | (2,720)                            |
| <b>Total</b>                  |       | <u>3,177,030</u> | <u>(2,282,880)</u>   | <u>894,150</u>                     | <u>3,214,402</u> | <u>(2,364,741)</u>   | <u>849,661</u>                     |

#### 3. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS FROM AFFORDABLE LETTING ACTIVITIES

|   | General<br>Needs Housing<br>£ | 2019<br>Total<br>£ | 2018<br>Total<br>£ |
|---|-------------------------------|--------------------|--------------------|
| <b>Revenue from affordable letting activities</b>             |                               |                    |                    |
| Rent receivable net of service charges                        | 2,196,482                     | 2,196,482          | 2,199,200          |
| Service charges receivable                                    | 11,464                        | 11,464             | 18,943             |
| <b>Gross income from rents and service charges</b>            | <u>2,207,946</u>              | <u>2,207,946</u>   | <u>2,218,143</u>   |
| Less: Rent losses from voids - lettable                       | (747)                         | (747)              | (1,507)            |
| - unlettable  | (8,188)                       | (8,188)            | (6,109)            |
| <b>Net income from rents and service charges</b>              | <u>2,199,011</u>              | <u>2,199,011</u>   | <u>2,210,527</u>   |
| Grants released from deferred income                          | 886,923                       | 886,923            | 892,288            |
| Revenue grants from Scottish Ministers                        | 55,329                        | 55,329             | 74,885             |
| <b>Total revenue from affordable letting activities</b>       | <u>3,141,263</u>              | <u>3,141,263</u>   | <u>3,177,700</u>   |
| <b>Expenditure on social letting activities</b>               |                               |                    |                    |
| Management and maintenance administration costs               | 702,106                       | 702,106            | 650,334            |
| Service costs   | 12,743                        | 12,743             | 17,661             |
| Planned and cyclical maintenance including major repair costs | 182,678                       | 182,678            | 288,176            |
| Reactive maintenance costs                                    | 330,773                       | 330,773            | 306,672            |
| Bad debts - rents and service charges                         | 6,616                         | 6,616              | 3,563              |
| Depreciation of affordable let properties                     | 1,056,098                     | 1,056,098          | 1,058,913          |
| <b>Operating costs for affordable letting activities</b>      | <u>2,291,014</u>              | <u>2,291,014</u>   | <u>2,325,319</u>   |
| <b>Operating surplus for affordable letting activities</b>    | <u>850,249</u>                | <u>850,249</u>     | <u>852,381</u>     |



# YOKER HOUSING ASSOCIATION LIMITED

## REPORT & FINANCIAL STATEMENTS 31st March 2019

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

|                             | Grants<br>From<br>Scottish<br>Ministers<br>£ | Other<br>Revenue<br>Grants<br>£ | Other<br>Income<br>£ | Total<br>Revenue<br>£ | Operating<br>Costs<br>Bad Debts<br>£ | Operating<br>Costs<br>Other<br>£ | Operating<br>Surplus<br>/ (Deficit)<br>2019<br>£ | Operating<br>Surplus<br>/ (Deficit)<br>2018<br>£ |
|-----------------------------|--|---------------------------------|----------------------|-----------------------|--------------------------------------|----------------------------------|--|--|
| Factoring                   | -  | -                               | 35,767               | 35,767                | 38,549                               | (30,415)                         | 43,901   | (2,720)  |
| Total from other activities | -  | -                               | 35,767               | 35,767                | 38,549                               | (30,415)                         | 43,901   | (2,720)  |
| 2018                        | -  | -                               | 36,702               | 36,702                | (13,310)                             | (26,112)                         | (2,720)  |  |

The disclosure of turnover, operating costs and operating surplus from affordable letting activities has been stated to reflect the requirements of the Social Housing Statement of Recommended Practice and Financial Reporting Standard 102.

#### 5. OFFICERS' EMOLUMENTS

The Officers are defined in s149 of the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers or employees of the Association. One officer of the Association received emoluments (excluding pension contributions) greater than £60,000 as follows:

|   | 2019<br>£ | 2018<br>£ |
|---|-----------|-----------|
| Gross salary  | 85,770    | 83,635    |
| Car benefit   | 4,340     | 3,149     |
| Professional subscriptions  | 485       | 475       |
| Total emoluments payable to Chief Executive (excluding pension contributions) | 90,595    | 87,259    |

There were no emoluments paid to key management personnel other than those stated above.

The Chief Executive is an ordinary member of the Association's pension scheme described in notes 1 and 25. No enhanced or special terms apply to his membership and he has no other pension arrangements to which the Association contributes. The Association's contributions for the Chief Executive in the year amounted to £10,783 (2018 - £10,504).

#### 6. EMPLOYEE INFORMATION

|   | 2019<br>No. | 2018<br>No. |
|---|-------------|-------------|
| The average monthly number of full time equivalent persons employed during the year was | 9           | 9           |
| The average total number of persons employed during the year was                        | 11          | 11          |
| Staff Costs were:   | £           | £           |
| Wages and Salaries  | 358,033     | 342,973     |
| Social Security Costs   | 35,985      | 28,196      |
| Other Pension Costs   | 41,355      | 39,530      |
|   | 435,373     | 410,699     |

# YOKER HOUSING ASSOCIATION LIMITED

## REPORT & FINANCIAL STATEMENTS 31st March 2019

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 7. OPERATING SURPLUS

|  | 2019            | 2018            |
|--|-----------------|-----------------|
|  | £               | £               |
| The Operating Surplus is stated after charging:- |                 |                 |
| Depreciation - tangible owned fixed assets       | 1,116,776       | 1,117,612       |
| Auditors' remuneration - audit services          | 6,000           | 7,070           |
|  | <u>        </u> | <u>        </u> |

#### 8. GAIN / (LOSS) ON SALE OF HOUSING STOCK

|  | 2019            | 2018            |
|--|-----------------|-----------------|
|  | £               | £               |
| Sales Proceeds   | -               | 99,500          |
| Abatement of Social Housing Grant - Right To Buy Sales | -               | 16,662          |
|  | <u>        </u> | <u>        </u> |
|  | -               | 116,162         |
| Cost of Sales  | -               | (121,801)       |
|  | <u>        </u> | <u>        </u> |
| Gain / (Loss) On Sale Of Housing Stock                 | -               | (5,639)         |
|  | <u>        </u> | <u>        </u> |

#### 9. TAX ON SURPLUS FOR YEAR

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

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

|                                     | 2019            | 2018            |
|-------------------------------------|-----------------|-----------------|
|                                     | £               | £               |
| Unwinding of discounted liabilities | -               | 18,741          |
|                                     | <u>        </u> | <u>        </u> |

#### 11. CAPITAL COMMITMENTS

|  | 2019            | 2018            |
|--|-----------------|-----------------|
|  | £               | £               |
| Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements | 1,013,000       | 166,000         |
|  | <u>        </u> | <u>        </u> |

#### 12. COMMITMENTS UNDER OPERATING LEASES

|   | 2019            | 2018            |
|---|-----------------|-----------------|
|   | £               | £               |
| At the end of the year, the total future minimum lease payments under non-cancellable operating leases were as follows: |                 |                 |
| Office Equipment  |                 |                 |
| Not later than one year   | 2,745           | 2,745           |
| Later than one year and not later than five years   | 5,261           | 8,007           |
|   | <u>        </u> | <u>        </u> |
|   | 8,007           | 10,752          |
|   | <u>        </u> | <u>        </u> |

# YOKER HOUSING ASSOCIATION LIMITED

## REPORT & FINANCIAL STATEMENTS 31st March 2019

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 13. NON CURRENT ASSETS

| a) <u>Housing Properties</u> | Held<br>for Letting<br>£ | In course of<br>Construction<br>£ | Total<br>£        |
|------------------------------|--------------------------|-----------------------------------|-------------------|
| <b>COST</b>                  |                          |                                   |                   |
| At 1st April 2018            | 50,562,973               | 280,026                           | 50,842,999        |
| Additions                    | 161,451                  | 217,579                           | 379,030           |
| Scheme Transfers             | -                        | -                                 | -                 |
| Disposals                    | (69,356)                 | -                                 | (69,356)          |
| At 31st March 2019           | <u>50,655,068</u>        | <u>497,605</u>                    | <u>51,152,673</u> |
| <b>DEPRECIATION</b>          |                          |                                   |                   |
| At 1st April 2018            | 18,828,749               | -                                 | 18,828,749        |
| Eliminated on Disposals      | (56,698)                 | -                                 | (56,698)          |
| Charge for Year              | 1,043,440                | -                                 | 1,043,440         |
| At 31st March 2019           | <u>19,815,491</u>        | <u>-</u>                          | <u>19,815,491</u> |
| <b>NET BOOK VALUE</b>        |                          |                                   |                   |
| At 31st March 2019           | <u>30,839,577</u>        | <u>497,605</u>                    | <u>31,337,182</u> |
| At 31st March 2018           | <u>31,734,224</u>        | <u>280,026</u>                    | <u>32,014,250</u> |

Total expenditure on existing properties in the year amounted to £892,481 (2018 - £874,368). The amount capitalised was £379,030 (2018 - £279,520) with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £161,451 (2018- £133,879) and improvement of £217,579 (2018 - £145,641). Additions to housing properties includes capitalised development administration costs of £nil (2018 - £nil). All housing properties are freehold.

| b) <u>Other Non Current Assets</u> | Office<br>Premises<br>£ | Motor<br>Vehicles<br>£ | Furniture<br>& Equipment<br>£ | Total<br>£       |
|------------------------------------|-------------------------|------------------------|-------------------------------|------------------|
| <b>COST</b>                        |                         |                        |                               |                  |
| At 1st April 2018                  | 1,659,251               | 83,533                 | 137,729                       | 1,880,513        |
| Additions                          | -                       | 52,960                 | 8,246                         | 61,206           |
| Disposals                          | -                       | (42,241)               | (9,494)                       | (51,735)         |
| At 31st March 2019                 | <u>1,659,251</u>        | <u>94,252</u>          | <u>136,481</u>                | <u>1,889,984</u> |
| <b>DEPRECIATION</b>                |                         |                        |                               |                  |
| At 1st April 2018                  | 332,904                 | 51,317                 | 128,933                       | 513,154          |
| Eliminated on Disposals            | -                       | (24,904)               | (9,494)                       | (34,398)         |
| Charge for year                    | 41,769                  | 13,351                 | 6,679                         | 61,799           |
| At 31st March 2019                 | <u>374,673</u>          | <u>39,764</u>          | <u>126,118</u>                | <u>540,555</u>   |
| <b>NET BOOK VALUE</b>              |                         |                        |                               |                  |
| At 31st March 2019                 | <u>1,284,578</u>        | <u>54,488</u>          | <u>10,363</u>                 | <u>1,349,429</u> |
| At 31st March 2018                 | <u>1,326,347</u>        | <u>32,216</u>          | <u>8,796</u>                  | <u>1,367,359</u> |

# YOKER HOUSING ASSOCIATION LIMITED

## REPORT & FINANCIAL STATEMENTS 31st March 2019

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 14. RECEIVABLES: Amounts Receivable within One Year

|                                    | 2019                 | 2018                 |
|------------------------------------|----------------------|----------------------|
|                                    | £                    | £                    |
| Arrears of Rent & Service Charges  | 82,577               | 82,007               |
| Less: Provision for Doubtful Debts | (71,186)             | (68,462)             |
|                                    | <u>11,391</u>        | <u>13,545</u>        |
| Social Housing Grant Receivable    | 1,498                | -                    |
| Other Receivables                  | 18,179               | 18,931               |
| Prepayments and Accrued Income     | 31,489               | 20,042               |
|                                    | <u><u>62,557</u></u> | <u><u>52,518</u></u> |

#### 15. PAYABLES: Amounts falling due within one year

|                                    | 2019           | 2018           |
|------------------------------------|----------------|----------------|
|                                    | £              | £              |
| Trade Payables                     | 197,429        | 93,572         |
| Rent in Advance                    | 113,078        | 104,621        |
| Other Taxation and Social Security | 9,582          | 8,378          |
| Other Payables                     | 34,712         | 22,881         |
| Accruals and Deferred Income       | 60,898         | 59,457         |
|                                    | <u>415,699</u> | <u>288,909</u> |

#### 16. STATEMENT OF CASH FLOWS

| <i>Reconciliation of operating surplus to balance as at 1st April 2019</i> | 2019                    | 2018                  |
|--|-------------------------|-----------------------|
|  | £                       | £                     |
| Operating Surplus  | 894,150                 | 849,661               |
| Depreciation   | 1,116,776               | 1,117,612             |
| Amortisation of Social Housing Grants                                      | (885,802)               | (892,344)             |
| Decrease / (Increase) in Stocks  | 510                     | (898)                 |
| (Increase) in Receivables  | (9,203)                 | (7,981)               |
| Increase / (Decrease) in Payables  | 127,666                 | (516,359)             |
| Loss on Disposal of Other Fixed Assets                                     | 587                     | -                     |
| Unwinding of Discount on Pension Liability                                 | -                       | 18,741                |
| Share Capital Written Off  | (10)                    | (19)                  |
| Net Cash Inflow from Operating Activities                                  | <u><u>1,244,674</u></u> | <u><u>568,413</u></u> |

# YOKER HOUSING ASSOCIATION LIMITED

## REPORT & FINANCIAL STATEMENTS 31st March 2019

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 17. DEFERRED INCOME

|  | 2019              | 2018              |
|--|-------------------|-------------------|
|  | £                 | £                 |
| <u>Social Housing Grants</u>   |                   |                   |
| Balance as at 1st April 2018   | 23,384,312        | 24,194,672        |
| Additions in year  | 219,741           | 163,405           |
| Released / repaid as a result of whole property disposals                            | -                 | (62,433)          |
| Released as a result of property component disposals                                 | (1,121)           | (18,988)          |
| Amortised in year  | (885,802)         | (892,344)         |
| Balance as at 31st March 2019  | <u>22,717,130</u> | <u>23,384,312</u> |
| This is expected to be released to the Statement of Comprehensive Income as follows: |                   |                   |
| Within one year  | 884,574           | 896,377           |
| In more than one year  | 21,832,556        | 22,487,935        |
|  | <u>22,717,130</u> | <u>23,384,312</u> |

#### 18. SHARE CAPITAL

|   |            |
|---|------------|
| Shares of £1 each Issued and Fully Paid | £          |
| At 1st April 2018                       | 293        |
| Issued in year                          | 29         |
| Cancelled in year                       | (10)       |
| At 31st March 2019                      | <u>312</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.

#### 19. HOUSING STOCK

|  |            |            |
|--|------------|------------|
| The number of units of accommodation in management | 2019       | 2018       |
| at the year end was:-                              | No.        | No.        |
| General Needs - New Build                          | 130        | 130        |
| - Improved   | 507        | 506        |
| - Unimproved                                       | 2          | 2          |
|  | <u>639</u> | <u>638</u> |

# YOKER HOUSING ASSOCIATION LIMITED

## REPORT & FINANCIAL STATEMENTS 31st March 2019

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 20. RELATED PARTY TRANSACTIONS

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

The related party relationships of the members of the Management Committee are summarised as follows:

- twelve members are tenants of the Association
- one member is a factored owner

Those committee members that are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage. Any transaction between the Association and an entity with which a Management Committee member has a connection is made at arm's length and under normal commercial terms.

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

- rent received from tenants on the Management Committee amounted to £54,193 (2018 - £48,193)
- factoring charges received from owners on the Management Committee amounted to £498 (2018 - £384)

At the year end total rent arrears owed by the tenant members of the Management Committee amounted to £105 (2018 - £235).

#### 21. 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 2310 Dumbarton Road, Yoker, Glasgow G14 0JS.

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

#### 22. RETIREMENT BENEFIT OBLIGATIONS

##### General

Yoker Housing Association Limited participates in the Scottish Housing Associations' Pension Scheme ("the Scheme").

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers as the scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS102 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30th September 2015 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £612m. The valuation revealed a shortfall of assets compared with the value of liabilities of £198m (equivalent to a past service funding level of 76%).

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, the liability of the withdrawing employer is re-apportioned amongst the remaining employers. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

All employers in the scheme have entered into an agreement to make additional contributions to fund the Scheme's past service deficit. This obligation has been recognised in terms of Para 28.11A of FRS102. The Association chose to pay off its share of the past service deficit by a lump sum payment rather than by instalments. At the 31st of March 2019 the present value of this obligation was therefore £nil (2018: £nil).

The Association made payments totalling £41,355 (2018: £473,145) to the pension scheme during the year.