

**CALVAY HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Registered Housing Association Number: HAC 80
Charity Registration Number: 2194R (S)
FCA Reference Number: SC039234

CALVAY HOUSING ASSOCIATION LIMITED

CONTENTS

THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS.....	1
REPORT FROM THE MANAGEMENT COMMITTEE.....	2
REPORT BY THE AUDITOR	7
INDEPENDENT AUDITOR'S REPORT	8
STATEMENT OF COMPREHENSIVE INCOME.....	13
STATEMENT OF FINANCIAL POSITION.....	14
STATEMENT OF CASH FLOWS.....	15
STATEMENT OF CHANGES IN CAPITAL AND RESERVES	16
NOTES TO THE FINANCIAL STATEMENTS	17

**CALVAY HOUSING ASSOCIATION LIMITED
THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021**

MEMBERS OF THE MANAGEMENT COMMITTEE

Anna Ellis	(Chairperson)
Alison A'Hara	(Vice Chair)
Christopher Warwick	(Secretary until appointed Treasurer on 17 September 2020)
Rebecca Howden	(Treasurer until resignation on 17 September 2020)
Pauline Barr	(Committee Member until appointed Secretary on 17 September 2020)
Eddie Dunlop	(Committee Member until resignation on 11 June 2021)
Rosemarie Lindsay	(Committee Member until resignation on 5 October 2020)
John Lyon	(Committee Member)
Sandra McIlroy	(Committee Member)
Julia Okun	(Committee Member until resignation on 2 July 2021)
Laura Sneider	(Committee Member until resignation on 28 April 2021)
James Gourlay	(Co-optee Member appointed 25 March 2021)

EXECUTIVE OFFICERS

Nick Dangerfield	Director
------------------	----------

REGISTERED OFFICE

16 Calvay Road
Glasgow
G33 4RQ

AUDITOR

French Duncan LLP
Chartered Accountants
Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

BANKERS

The Royal Bank of Scotland
1304 Duke Street
Glasgow
G31 5PZ

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

**CALVAY HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2021**

The Management Committee presents their report and the audited Financial Statements for the year ended 31 March 2021.

Legal Status

The Association is registered with the Financial Conduct Authority (No. 2194R(S)), The Scottish Housing Regulator as a registered social landlord (No HAC 80) and as a Registered Scottish Charity with the charity number SC039234. The Association is governed under its Rule Book.

Principal Activity

The principal activity of the Association is the provision of social housing.

Objectives and Strategy

The Association is a Registered Social Landlord and Scottish Charity. The core objects as set out in our rules are to provide for the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through the provision, construction, improvement and management of land and accommodation and the provision of care.

Our current strategic objectives are:

- To govern effectively
- To provide a high quality housing service
- To enhance our asset base
- To engage effectively
- To enhance community capacity

Review of business and future developments

Current Year

The year to 31st March 2021 was significantly impacted by the Covid pandemic. The majority of staff worked at home for all of the year, however we were able to continue running the business and delivering those services the Scottish Government's restrictions allowed.

These restrictions affected our ability to deliver both our day-to-day repairs service and our planned maintenance. Our rental income was relatively unaffected and arrears remain low.

The three year 2019-2022 business plan was refreshed for 2021-2022 focussing on updating the action plan.

During the reporting year, a Tenant Satisfaction Survey was carried out. This showed high levels of satisfaction with 96% of respondents stating that they were satisfied with the overall service provided by Calvay HA and 96% also satisfied with the quality of their home. In relation to value for money, 93% believed that their rent represents good value for money. Based on the last repair which had been carried out in their home, 94% were satisfied with the repair service.

Development programme

Calvay has plans to develop a total 43 properties at our Garvel Crescent and Blyth Road sites. Throughout the year we continued to pursue planning permission for both sites, however progress towards achieving planning consent has been very slow primarily due to slow response time of the planning authority.

**CALVAY HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2021**

Financial Review

The Association made a surplus in the year of £650,189 before pension adjustments (2020: £663,806). The sum of £229,488 was spent on planned maintenance (which has been capitalised). Due to the Covid pandemic, this is far less than we had planned to spend. As a social landlord we are committed to keeping our properties in good condition, therefore we will be spending more over the next few years in order to catch up on the planned maintenance we were unable to deliver due to Covid restrictions.

A project to improve the bin stores making them suitable for use by wheelie bins was, after an initial delay, able to get on-site as the work was outdoors. This was a major project which cost £398K to complete. The result is upgraded bin stores which are fit for purpose and able to accommodate the wheelie bins which Glasgow City Council are now using to collect both recyclable materials and general waste.

Revenue of £3.3 million relates to the income from letting of properties at affordable rents. The rent increase agreed during 2020/21 (for implementation from 1st April 2021) was 1.5%.

At 31 March 2021 £10.7m was held in reserves.

Risk and Uncertainties

Covid and our response to Covid, including keeping our staff and customers safe and complying with Scottish Government regulations has been the most significant risk and the most significant uncertainty we have dealt with during the reporting year.

Initially, we completely closed Calvay's offices however all office-based staff continued to be able to work using remote access and remote phones linked to the association's phone system. Customers have been able to contact us throughout on the association's usual phone number, by email or by post.

Our service to our tenants / factored owners was changed significantly in order to ensure we could keep our staff, customers and contractors safe. In particular, we were unable to deliver day-to-day repairs and our ability to let void properties was adversely affected.

Other significant risks we have identified are:

- Cyber security
- Development programme
- Governance

The Risk Register is updated and reviewed on a quarterly basis.

Staff

Calvay's staff team continues to be stable.

During the reporting year the Association closed the SHAPS Defined Benefit scheme for Calvay staff. The staff have been transferred to the SHAPS Defined Contribution scheme.

**CALVAY HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2021**

Governance

Calvay's Management Committee is the Association's governing body and usually meets around ten times a year. The Committee can have a minimum of 7 and a maximum of 15 members.

In addition to the Management Committee the Association has sub-committees. During the year under review these were:

- Audit and Risk
- Staffing
- Operations

Anna Ellis was re-elected as Chair at September's AGM. At an SGM held in September the rules were updated in line with SFHA's new model rules. Both the AGM and the SGM were held virtually.

All Committee Members must agree to and sign the Association's Code of Conduct for Committee Members before they can sit as a Committee Members. Committee Members must also sign a declaration of interest form and in addition declare any relevant interests at the start of each Committee / Sub Committee Meeting or during a meeting if a relevant interest becomes apparent in the course of a meeting.

Related Party Transactions

Several members of the Management Committee are tenants. Their tenancies are on the Association's normal tenancy terms and they cannot use their position to their advantage.

Committee of Management and Executive Officers

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

Statement of Management Committee's responsibilities

The Co-operative and Community Benefit Societies Act 2014 require 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 year. In preparing those Financial Statements, the Management Committee is required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business;
- Prepare a statement on Internal Financial Control.

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

**CALVAY HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2021**

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 practices.

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 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.

Statement on Internal Financial Control

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

- The reliability of financial information used within the Association, or for publication;
- The maintenance of proper accounting records; 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 Association's assets;
- Experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- Forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- Quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- The Management Committee receive 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; and

**CALVAY HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2021**

- Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year 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.

Auditor

A resolution to re-appoint the auditor, French Duncan LLP, Chartered Accountants, will be proposed at the Annual General Meeting.

By order of Management Committee

Signature

A large black rectangular redaction box covering the signature of the chair.

Anna Ellis, Chair

Date: 19 August 2021

CALVAY HOUSING ASSOCIATION LIMITED
REPORT BY THE AUDITOR TO THE MEMBERS OF CALVAY HOUSING ASSOCIATION LIMITED ON
CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH 2021

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 5 and 6 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 pages 5 and 6 has provided the disclosures required by the relevant Regulatory Standards within 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 Management Committee and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that The Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



French Duncan LLP

Chartered Accountants
Statutory Auditor

GLASGOW

27 August 2021

**CALVAY HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALVAY HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2021**

OPINION

We have audited the Financial Statements of Calvay Housing Association Limited for the year ended 31 March 2021 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in capital and reserves 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 FRS 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 its income and expenditure 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, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements February 2019.

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 housing association in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our 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

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

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

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

OTHER INFORMATION

The other information comprises the information contained in the Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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

**CALVAY HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALVAY HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2021**

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- a satisfactory system of control over transactions has not been maintained; or,
- the Association has not kept proper accounting records; or,
- the financial statements 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 COMMITTEE MEMBERS

As explained more fully in the management committee's responsibilities statement set out on page 4, the committee members 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 committee members determine 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 are responsible for assessing the housing association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee members either intend to liquidate the housing 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.

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 the 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.

CALVAY HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALVAY HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2021

- 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 housing association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.
- Conclude on the appropriateness of the committee members' 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 housing 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.

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.

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:-

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 responsible individual 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 identified the laws and regulations applicable to the association through discussions with management and management committee members and from our sector knowledge;
- we focused on specific laws and regulations, including those specified by the Scottish Housing Regulator, 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 Benefits Societies Act 2014, Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice for Social Housing Providers 2018 and Determination of Housing Requirements 2019, and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and management committee members and inspecting legal invoices; 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:

**CALVAY HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALVAY HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2021**

- making enquiries of management and management committee members 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 high level 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 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;
- reading the minutes of meetings of those charged with governance;
- reviewing internal audit reports prepared during the year;
- enquiring of management and management members as to actual and potential litigation and claims;
- inspecting any legal invoices; and
- reviewing correspondence with Scottish Housing Regulator.

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 management committee 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.

**CALVAY HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALVAY HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2021**

USE OF OUR REPORT

This report is made solely to the Association's members, as a body, in accordance with Section 87 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.

French Duncan LLP

French Duncan LLP
Chartered Accountants and Statutory Auditor
133 Finnieston Street
GLASGOW
G3 8HB

27 August 2021

**CALVAY HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

		2021	2020
	Notes	£	(as restated) £
REVENUE	2	3,844,301	3,814,611
Operating costs	2	<u>(3,113,075)</u>	<u>(3,030,444)</u>
OPERATING SURPLUS	8	731,226	784,167
Gain on sale of housing stock		-	-
Interest receivable and other similar income		31,661	33,621
Interest payable and other similar charges	7	(109,698)	(143,982)
Other finance charges	10	<u>(3,000)</u>	<u>(10,000)</u>
		<u>(81,037)</u>	<u>(120,361)</u>
SURPLUS FOR THE YEAR		650,189	663,806
OTHER COMPREHENSIVE INCOME			
Initial recognition of multi-employer defined benefit scheme			-
Actuarial (losses) / gains in respect of pension scheme	22	(351,000)	378,000
TOTAL COMPREHENSIVE INCOME		<u><u>299,189</u></u>	<u><u>1,041,806</u></u>

The results for the year relate wholly to continuing activities.

The notes on page 17 to 39 form part of these financial statements

CALVAY HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Notes	2021 £	2020 (as restated) £
NON-CURRENT ASSETS			
Housing properties - depreciated cost	11(a)	25,647,641	25,967,275
Other tangible fixed assets	11(b)	<u>710,018</u>	<u>730,568</u>
		26,357,659	26,697,843
CURRENT ASSETS			
Debtors	12	219,004	422,115
Cash at bank and in hand		<u>5,073,460</u>	<u>4,599,361</u>
		5,292,464	5,021,476
CREDITORS: amounts due within one year	13	<u>(518,876)</u>	<u>(659,481)</u>
NET CURRENT ASSETS		<u>4,773,588</u>	<u>4,361,995</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>31,131,247</u>	<u>31,059,838</u>
CREDITORS:			
amounts due after more than one year	14	(5,434,590)	(5,635,905)
PROVISIONS FOR LIABILITIES			
Pension - defined benefit liability	22	<u>(319,000)</u>	<u>(36,000)</u>
		(5,753,590)	(5,671,905)
DEFERRED INCOME			
Social Housing Grants	17	<u>(14,685,992)</u>	<u>(14,995,457)</u>
		<u>10,691,665</u>	<u>10,392,476</u>
EQUITY			
Share capital	18	57	57
Revenue reserve		<u>10,691,608</u>	<u>10,392,419</u>
		<u>10,691,665</u>	<u>10,392,476</u>

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 19 August 2021



Anna Ellis
Chair



Christopher Warwick
Treasurer



Pauline Barr
Secretary

The notes on page 17 to 39 form part of these financial statements.

CALVAY HOUSING ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	15	<u>1,043,442</u>	<u>1,033,227</u>
INVESTING ACTIVITIES			
Acquisition and construction of housing properties	(488,798)	(720,002)	(720,002)
Social Housing Grant received	192,285	291,899	291,899
Proceeds of disposals of housing properties	-	-	-
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		<u>(296,513)</u>	<u>(428,103)</u>
NET CASH INFLOW BEFORE FINANCING		746,929	605,124
FINANCING ACTIVITIES			
Loan advance received	-	-	-
Issue of ordinary share capital	1	3	3
Interest received	31,661	33,621	33,621
Interest paid	(109,698)	(143,982)	(143,982)
Loan principal repayments	(194,794)	(188,960)	(188,960)
NET CASH (OUTFLOW) FROM FINANCING		<u>(272,830)</u>	<u>(299,318)</u>
INCREASE IN CASH		474,099	305,806
OPENING CASH AND CASH EQUIVALENTS		4,599,361	4,293,555
CLOSING CASH AND CASH EQUIVALENTS		<u>5,073,460</u>	<u>4,599,361</u>

CALVAY HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Share Capital £	Revenue Reserve £	Total £
Balance as at 1 April 2020 - as originally stated		57	10,615,609	10,615,666
Prior year adjustment	24		(223,190)	(223,190)
Balance as at 1 April 2020 - as restated		57	10,392,419	10,392,476
Issue of Shares		1	-	1
Cancelled shares		(1)	-	(1)
Surplus for Year		-	650,189	650,189
Other comprehensive income		-	(351,000)	(351,000)
Balance as at 31 March 2021		<u>57</u>	<u>10,691,608</u>	<u>10,691,665</u>
		Share Capital £	Revenue Reserve £	Total £
Balance as at 1 April 2019 - as originally stated		58	9,562,265	9,562,323
Prior year adjustment	24	-	(211,652)	(211,652)
Balance as at 1 April 2019 - as restated		58	9,350,613	9,350,671
Issue of Shares		3	-	3
Cancelled shares		(4)	-	(4)
Surplus for Year		-	663,806	663,806
Other comprehensive income		-	378,000	378,000
Balance as at 31 March 2020		<u>57</u>	<u>10,392,419</u>	<u>10,392,476</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Legal status

The Association is incorporated under the Co-operative and Community Benefits Societies Act 2014 and is registered by the Financial Conduct Authority. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

Basis of Accounting

These financial statements have been 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 and comply with the requirements of the Determination of Housing Requirements 2019 as issued by the Scottish Housing Regulator.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see below).

The following principal accounting policies have been applied:

Going Concern

The financial statements have been prepared on a going concern basis after consideration of the future prospects of the Association, its long term financial forecasts and the certainty of cash flow from rental of social housing stock.

The Association has taken into account the Covid-19 outbreak in its consideration and is satisfied that the Association has adequate resources to manage the impact of the pandemic on an ongoing basis.

Revenue

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised as 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.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Retirement Benefits

The Association participates in the Scottish Housing Association Defined Benefits 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 the pension scheme on a defined benefit basis based on its share of scheme assets and liabilities as determined by the actuary. Defined benefit costs are recognised in the Statement of Comprehensive Income within operating costs. Actuarial gains and losses are recognised in Other Comprehensive Income. Further details are disclosed in the notes to the accounts.

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Valuation of Housing Properties

Housing Properties are stated at cost less accumulated depreciation and impairment losses. 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 11. 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.

Component	Useful Economic Life
Land	Not depreciated
Structure	50 years
Bathrooms	30 years
Windows	25 years
Kitchens	15 years
Central Heating	15 years

Shared ownership properties are depreciated over 50 years.

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	Over 50 years
Land	Not depreciated
Commercial premises	Over 30 years
Fixtures & Fittings	Over 5 years

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

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 it relates.

Social Housing Grant attributed to individual components is written off to the Income and Expenditure Account when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account in the same year 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.

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

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 of housing property under the Right to Buy scheme are treated as non-current asset disposals and any gain and loss on disposal 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 the Association'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.

Useful Lives of Other Fixed Assets

The useful lives of other fixed Assets are based on the knowledge of senior management at the Association with reference to expected asset life cycles.

Pension Liabilities

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate. Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation.

Costs of Shared Ownership

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

Leases/Leased Assets

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

Works to Existing Properties

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

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Development Interest

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

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 FRS 102.

b) Identification of cash generating units

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

c) Financial Instruments – Basic

The Association only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like rents, accounts receivable and payable, loans from banks and related parties.

These are recognised 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.

d) Pension liability

In May 2021 the Association received details from the Pension Trust of its share of assets, liabilities and scheme deficit. The Association has used this information as the basis of the pension defined benefit liability as disclosed in these accounts. The Board consider this is the best estimate of their scheme liability.

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

2. PARTICULARS OF REVENUE, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

		2021		2020 (as restated)			
Note	Revenue	Operating Costs	Operating surplus/ (deficit)	Revenue	Operating Costs	Operating surplus/ (deficit)	
	£	£	£	£	£	£	
Social letting activities	3	3,799,952	(3,044,126)	755,826	3,773,322	(2,943,824)	829,498
Other activities	4	44,349	(68,949)	(24,600)	41,289	(86,620)	(45,331)
Total		<u>3,844,301</u>	<u>(3,113,075)</u>	<u>731,226</u>	<u>3,814,611</u>	<u>(3,030,444)</u>	<u>784,167</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing	Supported Housing	Shared Ownership Housing	2021 Total	2020 Total (as restated)
	£	£	£	£	£
Revenue from lettings					
Rent receivable net of identifiable service charges	3,274,672	-	37,928	3,312,600	3,238,006
Service charges receivable	-	-	-	-	-
Gross rents receivable	3,274,672	-	37,928	3,312,600	3,238,006
Less rent losses from voids	(25,045)	-	-	(25,045)	(6,556)
Net rents receivable	3,249,627	-	37,928	3,287,555	3,231,450
Amortisation of Social Housing & Other Grants	501,750	-	-	501,750	522,852
Revenue grants from local authorities and other agencies	10,647	-	-	10,647	19,020
Total income from social letting	3,762,024	-	37,928	3,799,952	3,773,322
Expenditure on social letting activities					
Management and maintenance administration costs	1,042,378	-	11,594	1,053,972	1,054,890
Service costs	270,419	-	-	270,419	217,777
Planned and cyclical maintenance including major repairs	-	-	-	-	-
Reactive maintenance	639,570	-	-	639,570	553,050
Bad debts - rents and service charges	258,285	-	-	258,285	274,102
Depreciation of social housing	13,447	-	-	13,447	17,942
Housing costs	799,540	-	8,893	808,433	826,063
Operating costs of social letting	3,023,639	-	20,487	3,044,126	2,943,824
Operating surplus on social letting activities	738,385	-	17,441	755,826	829,498
2020	799,210	2,047	28,241	829,498	

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

4. PARTICULARS OF INCOME AND EXPENDITURE FROM OTHER ACTIVITIES

	Other income	Total Turnover	Operating costs other	Operating surplus/ (deficit) 2021	Operating surplus/ (deficit) 2020
	£	£	£	£	£
Wider Role Activities	13,561	13,561	(13,561)	-	(31,368)
Development activities	-	-	(6,336)	(6,336)	(17,442)
Factoring Services	16,712	16,712	(16,642)	70	3,479
Calvay Centre	14,076	14,076	(32,410)	(18,334)	
TOTAL FROM OTHER ACTIVITIES	44,349	44,349	(68,949)	(24,600)	(45,331)
TOTAL FROM OTHER ACTIVITIES FOR 2020	41,289	41,289	(86,620)	(45,331)	(45,331)

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

5. BOARD MEMBER AND OFFICERS EMOLUMENTS

The officers are determined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.

No emoluments have been paid to any member of the management committee.

	2021	2020
	£	£
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	66,818	65,127
Emoluments payable to the director (excluding pension contributions)	66,818	65,127
Pension contributions paid on behalf of the director	13,408	8,154
	<hr/>	<hr/>
Total Emoluments paid to key management personnel:	<u>80,226</u>	<u>73,281</u>

	Number	Number
Total number of officers, including the highest paid officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:		
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001-£90,000	-	-
	<hr/>	<hr/>

6. EMPLOYEE INFORMATION

	2021	2020
	£	£
Staff costs during the year:		
Wages and salaries	600,459	577,155
Social security costs	58,514	54,058
Other pension costs	100,864	87,980
	<hr/>	<hr/>
	<u>759,837</u>	<u>719,193</u>
	<hr/>	<hr/>
	Number	Number
The average number of full time equivalent persons employed during the year was	<u>16</u>	<u>16</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£	£
Bank loan interest	<u>109,698</u>	<u>143,982</u>
	<u>109,698</u>	<u>143,982</u>

8. OPERATING SURPLUS FOR THE YEAR

	2021	2020
	£	£
Surplus is stated after charging:		
Depreciation of tangible owned fixed assets	823,691	846,613
Auditors' remuneration - audit services	10,800	9,000
- other services	-	1,000
Loss on disposal of components	5,291	33,158
Amortisation of capital grants	<u>499,040</u>	<u>522,852</u>

9. TAX ON SURPLUS ON ORDINARY ACTIVITIES

The Association is a Registered Scottish Charity and is exempt from Corporation Tax on its charitable activities.

10. OTHER FINANCE CHARGES

	2021	2020
	£	£
Net interest expense - defined benefit pension scheme	<u>(3,000)</u>	<u>(10,000)</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

11. NON-CURRENT ASSETS

a) Housing Properties	Housing Properties Held for Letting	Housing Properties in the Course of Construction	Shared Equity Properties Held for Letting	Total
	£	£	£	£
COST				
At start of year	37,158,161	377,898	588,763	38,124,822
Additions	229,488	259,310	-	488,798
Disposals	(37,851)	-	-	(37,851)
Transfers of stock	-	-	-	-
At end of year	<u>37,349,798</u>	<u>637,208</u>	<u>588,763</u>	<u>38,575,769</u>
DEPRECIATION				
At start of year	11,960,809	-	196,738	12,157,547
Charged during year	794,198	-	8,943	803,141
Eliminated on disposal	(32,560)	-	-	(32,560)
At end of year	<u>12,722,447</u>	<u>-</u>	<u>205,681</u>	<u>12,928,128</u>
NET BOOK VALUE				
At end of year	<u>24,627,351</u>	<u>637,208</u>	<u>383,082</u>	<u>25,647,641</u>
At start of year	<u>25,197,352</u>	<u>377,898</u>	<u>392,025</u>	<u>25,967,275</u>

The Association's lenders have standard securities over housing property with a carrying value of £17,337,000 (2020 - £14,008,000)

Total expenditure on existing properties in the year amounted to £1,127,343 (2020 - £1,253,349). The amount capitalised is £229,488 (2020 - £426,197), with the balance charged to the Statement of Comprehensive Income. This amount of £229,488 capitalised was spent on component replacements.

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

b) Other tangible assets	Office	Land	Commercial	Total
	Premises		Premises	
	£	£	£	£
COST				
At start of year	717,277	15,060	186,116	918,453
Additions	-	-	-	-
Disposals	-	-	-	-
At end of year	<u>717,277</u>	<u>15,060</u>	<u>186,116</u>	<u>918,453</u>
DEPRECIATION				
At start of year	85,567	-	102,318	187,885
Charged during year	14,346	-	6,204	20,550
Disposals	-	-	-	-
At end of year	<u>99,913</u>	<u>-</u>	<u>108,522</u>	<u>208,435</u>
NET BOOK VALUE				
At end of year	<u>617,364</u>	<u>15,060</u>	<u>77,594</u>	<u>710,018</u>
At start of year	<u>631,710</u>	<u>15,060</u>	<u>83,798</u>	<u>730,568</u>

12. DEBTORS

	2021	2020
	£	(as restated) £
Arrears of Rent & Service Charges	118,051	109,978
Less: Provision for Doubtful Debts	<u>(67,000)</u>	<u>(62,688)</u>
	51,051	47,290
Other Debtors	<u>167,953</u>	<u>374,825</u>
	<u>219,004</u>	<u>422,115</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

13. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020 (as restated)
	£	£
Housing Loans	201,316	194,795
Trade Payables	105,029	297,385
Rent in Advance	129,435	97,401
Other Taxation and Social Security	16,102	14,632
Other Payables	24,731	10,579
Accruals and Deferred Income	42,263	44,689
	<u>518,876</u>	<u>659,481</u>

14. CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	2021	2020
	£	£
Housing loans	<u>5,434,590</u>	<u>5,635,905</u>
	<u>5,434,590</u>	<u>5,635,905</u>

The Association has a number of long term housing loans, the terms and conditions of which are as follows:

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

Loans are secured by specific charges on the Association's properties. Loans are repayable at current rates of interest ranging from 2.005% plus LIBOR to 2.405% (2020 - 2.225% to 2.405%) in instalments as follows:

The housing loans are repayable as follows:

	2021	2020
	£	£
Between one and two years	208,118	203,316
Between two and five years	675,745	633,385
In five years or more	<u>4,550,727</u>	<u>4,799,204</u>
	<u>5,434,590</u>	<u>5,635,905</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

15. STATEMENT OF CASH FLOWS

	2021	2020
	£	£
Reconciliation of operating surplus to cash flow from operating activities		
Operating Surplus	731,226	784,167
Depreciation	823,691	846,613
Amortisation of capital grants	(499,040)	(522,852)
Change in debtors	203,111	(213,891)
Change in creditors	(147,126)	178,197
Loss on disposal of components	5,291	33,158
Deficit contributions	(114,000)	(101,000)
Movement in Pension Liability	43,000	61,997
Issued Shares	-	-
Cancelled Shares	(1)	(4)
Social Housing Grant released	(2,710)	(33,158)
	<u>1,043,442</u>	<u>1,033,227</u>
Cash inflow from operating activities		

16. ANALYSIS OF CHANGES IN NET DEBT

	As at 1	Cash-flows	Other non cash	As at 31
	April 2020		changes	March 2021
	£	£	£	£
Cash at bank	4,599,361	474,099		5,073,460
Loans falling due within one year	(194,795)	194,794	(201,315)	(201,316)
Loans falling due after more than one year	(5,635,905)	-	201,315	(5,434,590)
TOTAL	<u>(1,231,339)</u>	<u>668,893</u>	<u>-</u>	<u>(562,446)</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

17. DEFERRED INCOME

	2021	2020
	£	£
Social Housing Grants		
Balance as at 1 April 2020	14,995,457	15,127,430
Additions in year	192,285	291,899
SHG Transferred from Creditors	-	132,138
Released / Repaid as the result of property disposal	(2,710)	(33,158)
Amortisation in Year	(499,040)	(522,852)
Balance as at 31 March 2021	<u>14,685,992</u>	<u>14,995,457</u>
Total deferred grants	<u>14,685,992</u>	<u>14,995,457</u>

This is expected to be released to the Statement of Comprehensive Income as follows:

Amounts released within one year	499,040	522,852
Amounts released in one year or more	<u>14,186,952</u>	<u>14,472,605</u>
	<u>14,685,992</u>	<u>14,995,457</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

18. SHARE CAPITAL AND RESERVES

Share Capital	2021	2020
	£	£
Shares of £1 each Issued and Fully Paid		
At 1 April 2020	57	58
Issued in year	1	3
Cancelled in year	<u>(1)</u>	<u>(4)</u>
At 31 March 2021	<u><u>57</u></u>	<u><u>57</u></u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends 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.

Reserves	2021	2020
	£	£
At 1 April 2020 - As originally stated	10,615,609	9,562,265
Prior year adjustment	<u>(223,190)</u>	<u>(211,652)</u>
At 1 April 2020 - As restated	10,392,419	9,350,613
Surplus for year	650,189	663,806
Other comprehensive income	<u>(351,000)</u>	<u>378,000</u>
At 31 March 2021	<u><u>10,691,608</u></u>	<u><u>10,392,419</u></u>

19. HOUSING STOCK

The number of units of accommodation in management at the year end was:-

	2021	2020
	No.	No.
General Needs	825	825
Shared Ownership	16	16
Other	<u>1</u>	<u>1</u>
	<u><u>842</u></u>	<u><u>842</u></u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

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:

- 10 Members are tenants of the Association
- Management Committee members cannot use their position to their advantage. Any transactions between the Association and any entity with which a Management Committee member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Management Committee members were as follows:

- Rent Received from Tenants on the Committee £ 28,195
- At the year-end total rent arrears owed by the tenant members of the Committee were £ 281

21. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 16 Calvay Road, Glasgow, G33 4RQ

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

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

22. RETIREMENT BENEFIT OBLIGATIONS

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

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

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

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

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

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

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March 2019 to 29 February 2020 inclusive.

Similarly, an actuarial valuation of the scheme was carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive and an actuarial valuation of the scheme was carried out as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 inclusive.

The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

Pension Scheme Liability movements:

	2021	2020
	(£000s)	(£000s)
As at 1 April 2020	36	443
Current Service Cost	43	60
Net Interest expense	3	10
Expenses	-	2
Deficit Contributions Paid	(114)	(101)
Impact of change in assumptions	351	(378)
As at 31 March 2021	<u>319</u>	<u>36</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

22. RETIREMENT BENEFIT OBLIGATIONS (continued)

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION,

FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2021 (£000s)	31 March 2020 (£000s)
Fair value of plan assets	3,038	2,645
Present value of defined benefit obligation	3,357	2,681
Surplus (deficit) in plan	(319)	(36)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(319)	(36)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2021 (£000s)	Period ended 31 March 2020 (£000s)
Defined benefit obligation at start of period	2,681	3,127
Current service cost	43	60
Expenses	3	2
Interest expense	64	71
Contributions by plan participants	19	24
Actuarial losses (gains) due to scheme experience	7	(49)
Actuarial losses (gains) due to changes in demographic assumptions	-	(17)
Actuarial losses (gains) due to changes in financial assumptions	590	(326)
Benefits paid and expenses	(50)	(211)
Defined benefit obligation at end of period	3,357	2,681

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

22. RETIREMENT BENEFIT OBLIGATIONS (continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period ended 31 March 2021 (£000s)	Period ended 31 March 2020 (£000s)
Fair value of plan assets at start of period	2,645	2,684
Interest income	64	61
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	246	(14)
Contributions by the employer	114	101
Contributions by plan participants	19	24
Benefits paid and expenses	(50)	(211)
Fair value of plan assets at end of period	3,038	2,645

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £310,000.

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCl)

	Period from 31 March 2020 to 31 March 2021 (£000s)	Period from 31 March 2019 to 31 March 2020 (£000s)
Current service cost	43	60
Expenses	3	2
Net interest expense	-	10
Defined benefit costs recognised in statement of comprehensive income (SoCl)	46	72

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

22. RETIREMENT BENEFIT OBLIGATIONS (continued)

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2021 (£000s)	Period ended 31 March 2020 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	246	(14)
Experience gains and losses arising on the plan liabilities - gain (loss)	(7)	49
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	-	17
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(590)	326
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(351)	378
Total amount recognised in other comprehensive income - gain (loss)	(351)	378

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

22. RETIREMENT BENEFIT OBLIGATIONS (continued)

ASSETS	31 March 2021 (£000s)	31 March 2020 (£000s)
Global Equity	470	364
Absolute Return	150	162
Distressed Opportunities	104	48
Credit Relative Value	88	64
Alternative Risk Premia	122	212
Fund of Hedge Funds	-	-
Emerging Markets Debt	122	94
Risk Sharing	109	84
Insurance-Linked Securities	63	71
Property	54	49
Infrastructure	170	156
Private Debt	72	52
Opportunistic Illiquid Credit	78	64
High Yield	80	-
Opportunistic Credit	83	-
Cash	1	-
Corporate Bond Fund	229	193
Liquid Credit	52	69
Long Lease Property	70	65
Secured Income	167	147
Over 15 Year Gilts	1	34
Liability Driven Investment	730	697
Net Current Assets	23	20
Total assets	3,038	2,645

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

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

22. RETIREMENT BENEFIT OBLIGATIONS (continued)

KEY ASSUMPTIONS

	31 March 2021 % per annum	31 March 2020 % per annum
Discount Rate	2.17	2.38
Inflation (RPI)	2.62	2.62
Inflation (CPI)	2.86	1.62
Salary Growth	3.86	2.62
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.5
Female retiring in 2021	23.4
Male retiring in 2041	22.8
Female retiring in 2041	25.0

Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation.

23. CAPITAL COMMITMENTS

	2021 £	2020 £
Expenditure authorised by the management committee and contracted for	251,028	-
Expenditure authorised by the management committee not contracted for	8,040,000	7,800,000
	<u>8,291,028</u>	<u>7,800,000</u>
Funded by:		
Social Housing Grant	4,440,000	4,200,000
External funding	3,600,000	3,600,000
Reserves	251,028	-
	<u>8,291,028</u>	<u>7,800,000</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

24. PRIOR YEAR ADJUSTMENT

In prior years the association has recognised a full months rental income in line with the due date per the tenancy agreements but has not deferred amounts relating to future periods as required by the accruals basis of accounting. The net impact on net assets, from the rent adjustment and the corresponding effect on the bad debt provision, is to reduce the brought forward revenue reserve in the current year by £223,190 (2020 reduce by £211,652). The net effect on the surplus in 2020 was a decrease of £11,538.