



**Alexander Sloan**  
Accountants and Business Advisers

# **Ochil View Housing Association Limited**

Report and Financial Statements

For the year ended 31 March 2021

Registered Social Landlord No. 213

FCA Reference No.2310R(S)

Scottish Charity No. SCO33130

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

### Contents

	<b>Page</b>
Members of the Board of Management, Executive and Advisers	1
Report of the Board of Management	2 – 7
Report by the Auditors on corporate governance matters	8
Report of the Auditors	9 -12
Statement of comprehensive income	13
Statement of financial position	14
Statement of cash flows	15
Statement of changes in equity	16
Notes to the financial statements	17 - 37

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# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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## BOARD OF MANAGEMENT, EXECUTIVE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

### Board of Management

Margaret Baxter  
Graham Collie  
Susan Mackay  
Lynn Brierley  
Sam Brown  
Tom Brown  
Ewen Cameron  
John Campbell  
Aileen Crichton  
Bramley Eccles  
Louise Gregory  
Kevin Keane  
Teresa McNally  
Lindsay Stother

Chairperson  
Vice Chairperson  
Treasurer

Resigned 5<sup>th</sup> May 2021

Appointed 24<sup>th</sup> September 2020  
Resigned 27<sup>th</sup> May 2021

Resigned 17<sup>th</sup> September 2020

### Executive Officers

George Tainsh

Chief Executive and Secretary

### Registered Office

Ochil House  
Marshall  
Alloa  
Clackmannashire  
FK10 1AB

### External Auditors

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

### Internal Auditors

Azets  
Chartered Accountants  
25 Bothwell Street  
Glasgow  
G2 6NL

### Bankers

The Royal Bank of Scotland  
Unit 22/23, Thistles  
Goosecroft Road  
Stirling  
FK8 2EA

### Solicitors

Harper MacLeod  
The Ca'd'oro  
45 Gordon Street  
G1 3PE

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

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

### Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No.2310R(S)), the Scottish Housing Regulator as a registered social landlord (No.213) under the Housing (Scotland) Act 2010 and as is a registered Scottish Charity with the charity number SC033130.

### Principal Activities

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

### Review of Business and Future Developments

#### Corporate Performance

The Association sets challenging corporate targets against which performance is measured over the course of the financial year. This is done through Key Performance Indicators and Strategic Objectives.

#### Key Performance Indicators

In spite of the challenges arising from the Covid pandemic, the Association achieved 71% of performance indicators. Taking into account areas where Covid restrictions adversely affected the ability to achieve target, 89% of indicators were achieved.

The key areas for improvement in 2021/22 are identified as follows:

- Emergency repair response
- Relet times
- Complaints resolved within timescale
- % Reactive repairs completed right first time
- % tenants satisfied that rent represents value for money
- % tenants satisfied with management of the neighbourhood

#### Strategic Objectives

Through an extended range of KPIs the Association also measures compliance with its strategic objectives and the year-end evaluation of these showed the following;

#### High Compliance

- Housing Management and Tenancy Sustainment
- Resident Participation and Communication
- Provision of new/adapted homes & property acquisitions
- Human Resources and Health & Safety
- Financial Management, Corporate Governance and Sustainability

#### Medium Compliance

- Reactive & Planned Maintenance Services



# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

### Review of Business and Future Developments (Contd.)

#### Low Compliance

No areas

#### Key Priorities 2021/22

The Association's key priorities for 2021/22 include effectively managing the Covid-19 pandemic across all the Association's activities, continuing to make improvements to the reactive maintenance service, delivering an enhanced tenant engagement and communication service and reviewing the treasury arrangements for financing our development plans.

Further information on all of the Association's priorities can be found in the Corporate Management Plan which is available on the website.

#### Internal Audit

During the year the Internal Audit function focussed on the Association's IT Security, Business Continuity Plan and the Annual Assurance Statement processes and evidence. A number of recommendations were made as a result of the audits and action plans and timescales to implement the changes have been agreed.

#### Rent Arrears

The Association's rent arrears position at the end of 2020/21 for current (non - technical) arrears was 4.01% against a target of 4.73% for the year. Arrears have reduced over the course of the year, despite the impact of the pandemic on individuals' finances. The Association continues to focus on this area - in recent years the staff restructure has enabled additional focus on arrears and in 2021-22 the Association is investing in new software that will assist in identifying early those tenants falling into arrears - this will enable the Association staff to target support to those who need it most.

#### Risk Management

The Association's risk management process continues to quantify and compare the relative significance of a wide variety of risks facing the organisation and these are reviewed by the Board of Management each quarter.

In terms of high risk areas these have been identified as follows:

- ✓ Covid-19
- ✓ Development of New Housing
- ✓ Implications of Welfare Reform
- ✓ Cyber Security
- ✓ SHAPS Pension Scheme

#### Regulatory Assessment

Following the latest round of assessments of RSLs by the Scottish Housing Regulator the Association is required to submit the standard, annual information to the Regulator.

#### Residential Property Acquisitions

During the year the Association acquired three properties on the open market and is looking to acquire a further eight in 2021/22.

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

### **Review of Business and Future Developments (Contd.)**

#### Development Opportunities

The Association is developing new social housing units at Elm Grove, Alloa in conjunction with Kingdom Housing Association. These 33 units will be completed in early 2022. The Association continues to work with Kingdom to identify further development opportunities in the area.

#### Financial Review

The Association reports a surplus of £1,782K during the year and an increase in cash balances of £767K. The Covid-19 global pandemic has affected the Association in a number of ways, however the Association is currently in a strong financial position and the Board of Management see no issue going forward in terms of the viability of the Association.

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

### **Board of Management and Executive Officers**

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

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

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

### **Statement of Board of Management's Responsibilities**

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

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

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to: ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

### **Going Concern**

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



# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

### Statement on Internal Financial Control

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

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

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

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

The Board of Management has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year end 31 March 2021. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

### Donations

During the year the Association made charitable donations of £1,105 (2020 - £1,220).

### Disclosure of Information to the Auditor

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

### Auditor

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

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

By order of the Board of Management

**George Tainsh**  
Secretary  
29 July 2021

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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## REPORT BY THE AUDITORS TO THE MEMBERS OF OCHIL VIEW HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the financial statements, we have reviewed your statement on page 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 to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

### **Opinion**

In our opinion the Statement of Internal Financial Control on page 6 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 Board of Management and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Board of Management's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

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**ALEXANDER SLOAN**  
Accountants and Business Advisers  
Statutory Auditors  
GLASGOW  
29 July 2021





# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

### Opinion

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

In our opinion the financial statements:

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

### Basis of Opinion

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

### Conclusions relating to going concern

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

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

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

### Other Information

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

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

### Other Information (Contd.)

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

We have nothing to report in this regard.

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

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

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

### Responsibilities of the Board of Management

As explained more fully in the statement of the Board of Management's responsibilities as set out on page 5, the Board of Management is responsible for the preparation of the financial statements and for being satisfied that they give true and fair view, and for such internal control as the Board of Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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

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

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



## OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

**The extent to which the audit was considered capable of detecting irregularities including fraud**  
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

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

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

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

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

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

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

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

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

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

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

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

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

### Use of our Report

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

**ALEXANDER SLOAN**  
Accountants and Business Advisers  
Statutory Auditors  
GLASGOW  
29 July 2021



# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

	Notes	2021	2020
		£	£
Revenue	2	7,376,223	7,153,207
Operating costs	2	5,175,794	5,263,891
<b>OPERATING SURPLUS</b>		<b>2,200,429</b>	<b>1,889,316</b>
Gain on sale of housing stock	7	-	42,160
Exceptional item	26	107,294	106,068
Interest receivable and other income		42,262	75,029
Interest payable and similar charges	8	(570,863)	(585,884)
Other Finance income/(charges)	11	3,000	(28,000)
		(418,307)	(390,627)
<b>SURPLUS FOR THE YEAR</b>		<b>1,782,122</b>	<b>1,498,689</b>
<b>Other comprehensive income</b>			
Actuarial gains/(losses) on defined benefit pension plan	18	(936,000)	1,214,000
Pension asset not recognised	18		(48,000)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>846,122</b>	<b>2,664,689</b>

The results relate wholly to continuing activities.

The notes on pages 17 to 37 form an integral part of these financial statements.



# OCHIL VIEW HOUSING ASSOCIATION LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
<b>NON-CURRENT ASSETS</b>					
Housing properties - depreciated cost	12		55,826,457		56,725,928
Other tangible assets	12		516,042		505,429
			<u>56,342,499</u>		<u>57,231,357</u>
<b>CURRENT ASSETS</b>					
Receivables	13	959,885		602,420	
Cash and cash equivalents	14	10,146,199		9,379,556	
			<u>11,106,084</u>	<u>9,981,976</u>	
<b>CREDITORS:</b> Amounts falling due within one year	15	(2,372,545)		(1,804,564)	
<b>NET CURRENT ASSETS</b>			<u>8,733,539</u>		<u>8,177,412</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			65,076,038		65,408,769
<b>CREDITORS:</b> Amounts falling due after more than one year	16		(22,801,762)		(24,304,552)
<b>PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Scottish housing association pension scheme	18	(761,000)		-	
			<u>(761,000)</u>		<u>-</u>
<b>DEFERRED INCOME</b>					
Social housing grants	19	(30,226,964)		(30,954,549)	
Other grants	19	(1,005,775)		(715,252)	
			<u>(31,232,739)</u>	<u>(31,669,801)</u>	
<b>NET ASSETS</b>			<u>10,280,537</u>		<u>9,434,416</u>
<b>EQUITY</b>					
Share capital	20		39		40
Revenue reserves			11,041,498		9,434,376
Pension reserves			(761,000)		-
			<u>10,280,537</u>		<u>9,434,416</u>

The financial statements were approved by the Board of Management and authorised for issue and signed on their behalf on 29 July 2021.

Committee Member

Committee Member

Secretary

The notes on pages 17 to 37 form an integral part of these financial statements.



# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

	Notes	2021		2020	
		£	£	£	£
<b>Surplus for the Year</b>			1,782,122		1,498,689
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets	12	1,915,725		1,779,338	
Amortisation of capital grants	19	(856,651)		(864,945)	
Gain on disposal of tangible fixed assets		-		(42,160)	
Non-cash adjustments to pension provisions		(175,000)		(77,000)	
Share capital written off	20	(1)		(6)	
			884,073		795,227
Interest receivable			(42,262)		(75,029)
Interest payable	8		570,863		585,884
<b>Operating cash flows before movements in working capital</b>			3,194,796		2,804,771
Change in debtors		(357,465)		(128,462)	
Change in creditors		85,961		80,923	
			(271,504)		(47,539)
<b>Net cash inflow from operating activities</b>			2,923,292		2,757,232
<b>Investing Activities</b>					
Acquisition and construction of properties		(976,844)		(2,185,273)	
Purchase of other fixed assets		(50,023)		(88,427)	
Social housing grant received		120,000		1,206,039	
Social housing grant repaid		(10,868)		(81,106)	
Other grants received		310,457		-	
Other grants repaid		-		(2,384)	
Proceeds on disposal of housing properties		-		42,160	
<b>Net cash outflow from investing activities</b>			(607,278)		(1,108,991)
<b>Financing Activities</b>					
Interest received on cash and cash equivalents		42,262		75,029	
Interest paid on loans		(570,863)		(585,884)	
Loan principal repayments		(1,020,770)		(1,019,544)	
Share capital issued	20	-		1	
<b>Net cash outflow from financing activities</b>			(1,549,371)		(1,530,398)
<b>Increase in cash</b>	21		766,643		117,843
<b>Opening cash &amp; cash equivalents</b>			9,379,556		9,261,713
<b>Closing cash &amp; cash equivalents</b>			<b>10,146,199</b>		<b>9,379,556</b>
<b>Cash and cash equivalents as at 31 March</b>					
Cash	21		10,146,199		9,379,556
			<b>10,146,199</b>		<b>9,379,556</b>

The notes on pages 17 to 37 form an integral part of these financial statements.

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1 April 2019	45	(1,243,000)	8,012,687	6,769,732
Issue of Shares	1	-	-	1
Cancellation of Shares	(6)	-	-	(6)
Other comprehensive income	-	1,166,000	-	1,166,000
Revaluation in year	-	-	-	-
Other movements	-	77,000	(77,000)	-
Surplus for the year	-	-	1,498,689	1,498,689
<b>Balance as at 31 March 2020</b>	<b>40</b>	<b>-</b>	<b>9,434,376</b>	<b>9,434,416</b>
Balance as at 1 April 2020	40	-	9,434,376	9,434,416
Issue of Shares	-	-	-	-
Cancellation of Shares	(1)	-	-	(1)
Other comprehensive income	-	(936,000)	-	(936,000)
Revaluation in year	-	-	-	-
Other movements	-	175,000	(175,000)	-
Surplus for the year	-	-	1,782,122	1,782,122
<b>Balance as at 31 March 2021</b>	<b>39</b>	<b>(761,000)</b>	<b>11,041,498</b>	<b>10,280,537</b>

The notes on pages 17 to 37 form an integral part of these financial statements.

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

### 1. PRINCIPAL ACCOUNTING POLICIES

#### Statement of Compliance and Basis of Accounting

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

#### Revenue

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

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

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

#### Retirement Benefits

The Association participates in the Scottish Housing Association Pension Scheme (SHAPS) a multi-employer defined benefit scheme. Retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association also offers the SHAPS Defined Contribution Scheme as an option for staff and a number of staff have chosen to participate in this scheme.

#### Going Concern

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



# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

### Housing Properties

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

<i>Component</i>	<i>Useful Economic Life</i>
Land	Not depreciated
Main Structure	Over 60 years
Roofs	Over 50 years
Kitchen	Over 15 years
Bathroom	Over 30 years
Heating	Over 15 years
Windows & Doors	Over 30 years
Lifts	Over 30 years

### Depreciation and Impairment of Other Tangible Assets

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

<i>Asset Category</i>	<i>Depreciation Rate</i>
Office Premises	Over 80 years
Furniture and Fittings	20-25%
Computer & Office Equipment	25%

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

### Social Housing Grants and Other Capital Grants

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

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

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

### Sales Of Housing Properties

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

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

### Taxation

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

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

### Leases

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

### Works to Existing Properties

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

### Capitalisation Of Development Overheads

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

### Borrowing Costs

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

### Property Development Cost

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

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

### Financial Instruments - Basic

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

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

### Cash and Liquid Resources

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

### Impairment

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

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

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



# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

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

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

#### Key Judgements

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

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

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

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

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

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

##### *d) Pension Liability*

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

#### Estimation Uncertainty

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

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

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

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

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

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

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

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

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

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



# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

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

	Notes	Turnover	Operating costs	2021 Operating surplus / (deficit)	Turnover	Operating costs	2020 Operating surplus / (deficit)
		£	£	£	£	£	£
Affordable letting activities	3	7,359,316	5,138,242	2,221,074	7,125,373	5,205,537	1,919,836
Other Activities	4	16,907	37,552	(20,645)	27,834	58,354	(30,520)
<b>Total</b>		<b>7,376,223</b>	<b>5,175,794</b>	<b>2,200,429</b>	<b>7,153,207</b>	<b>5,263,891</b>	<b>1,889,316</b>

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

	General Needs Housing	Shared Ownership	2021 Total	2020 Total
	£	£	£	£
<b>Revenue from Lettings</b>				
Rent receivable net of service charges	6,275,483	42,170	6,317,653	6,146,745
<b>Gross income from rent and service charges</b>	6,275,483	42,170	6,317,653	6,146,745
Less: Rent losses from voids	76,501	-	76,501	27,779
<b>Income from rents and service charges</b>	6,198,982	42,170	6,241,152	6,118,966
Grants released from deferred income	845,348	11,303	856,651	864,947
Revenue grants from Scottish Ministers	261,513	-	261,513	141,460
<b>Total turnover from affordable letting activities</b>	<b>7,305,843</b>	<b>53,473</b>	<b>7,359,316</b>	<b>7,125,373</b>
<b>Expenditure on affordable letting activities</b>				
Management and maintenance administration costs	1,642,162	21,149	1,663,311	1,751,009
Service costs	126,704	8,808	135,512	148,044
Planned and cyclical maintenance, including major repairs	815,940	-	815,940	800,201
Reactive maintenance costs	677,148	-	677,148	659,947
Bad Debts - rents and service charges	(3,982)	-	(3,982)	90,530
Depreciation of affordable let properties	1,838,703	11,610	1,850,313	1,755,806
<b>Operating costs of affordable letting activities</b>	<b>5,096,675</b>	<b>41,567</b>	<b>5,138,242</b>	<b>5,205,537</b>
<b>Operating surplus on affordable letting activities</b>	<b>2,209,168</b>	<b>11,906</b>	<b>2,221,074</b>	<b>1,919,836</b>
<b>2020</b>	<b>1,908,629</b>	<b>11,207</b>		

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

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

	Other revenue grants	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2021	Operating surplus / (deficit) 2020
	£	£	£	£	£	£	£
Factoring	-	13,455	13,455	-	14,376	(921)	(271)
Contracted out services undertaken for other organisations	-	-	-	-	-	-	2,312
Other activities	-	3,452	3,452	-	-	3,452	4,393
Rechargeable repairs	-	-	-	23,176	-	(23,176)	(36,954)
<b>Total From Other Activities</b>	<b>-</b>	<b>16,907</b>	<b>16,907</b>	<b>23,176</b>	<b>14,376</b>	<b>(20,645)</b>	<b>(30,520)</b>
<b>2020</b>	<b>2,809</b>	<b>25,025</b>	<b>27,834</b>	<b>39,763</b>	<b>18,591</b>	<b>(30,520)</b>	

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 5. OFFICERS' EMOLUMENTS

	2021	2020
	£	£
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Board of Management, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	<u>133,173</u>	<u>67,134</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>37,847</u>	<u>15,588</u>
Emoluments payable to Chief Executive and Secretary (excluding pension contributions)	73,962	69,007
Pension contributions paid on behalf of the Chief Executive and Secretary	<u>20,268</u>	<u>15,588</u>
Total emoluments payable to the Chief Executive and Secretary	<u>94,230</u>	<u>84,595</u>
Total emoluments paid to key management personnel	<u>234,786</u>	<u>261,789</u>

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

	Number	Number
£60,001 to £70,000	1	-
£70,001 to £80,000	1	1
£80,001 to £90,000	-	1
£90,001 to £100,000	<u>1</u>	<u>=</u>

## 6. EMPLOYEE INFORMATION

	2021	2020
	No.	No.
Average monthly number of full time equivalent persons employed during the year	<u>26</u>	<u>27</u>
Average total number of employees employed during the year	<u>27</u>	<u>27</u>
Staff costs were:	£	£
Wages and salaries	893,671	892,785
National insurance costs	92,974	93,528
Pension costs	198,896	167,658
	<u>1,185,541</u>	<u>1,153,971</u>

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 7. GAIN ON SALE OF HOUSING STOCK

	2021	2020
	£	£
Sales proceeds	-	71,250
Cost of sales	-	29,090
Gain on sale of housing stock	<u>-</u>	<u>42,160</u>

## 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£	£
On bank loans and overdrafts	570,863	585,884
	<u>570,863</u>	<u>585,884</u>

## 9. SURPLUS FOR THE YEAR

	2021	2020
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	1,825,723	1,779,338
(Loss) on component disposals	7,223	10,949
Auditors' remuneration - audit services	10,650	11,400
Operating lease rentals - other	2,549	2,549
(Loss) on sale of other non-current assets	-	42,160
	<u>-</u>	<u>42,160</u>

## 10. CORPORATION TAX

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

## 11. OTHER FINANCE INCOME / (CHARGES)

	2021	2020
	£	£
Net interest on pension obligations	<u>3,000</u>	<u>(28,000)</u>



# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 12. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
<b>COST</b>				
At 1 April 2020	81,588,399	197,694	740,261	82,526,354
Additions	945,292	31,552	-	976,844
Disposals	(313,172)	-	-	(313,172)
Transfers	44,776	-	(44,776)	-
At 31 March 2021	<u>82,265,295</u>	<u>229,246</u>	<u>695,485</u>	<u>83,190,026</u>
<b>DEPRECIATION</b>				
At 1 April 2020	25,533,549	-	266,877	25,800,426
Charge for Year	1,774,703	-	11,610	1,786,313
Transfers	19,161	-	(19,161)	-
Disposals	(223,170)	-	-	(223,170)
At 31 March 2021	<u>27,104,243</u>	<u>-</u>	<u>259,326</u>	<u>27,363,569</u>
<b>NET BOOK VALUE</b>				
At 31 March 2021	<u>55,161,052</u>	<u>229,246</u>	<u>436,159</u>	<u>55,826,457</u>
At 31 March 2020	<u>56,054,850</u>	<u>197,694</u>	<u>473,384</u>	<u>56,725,928</u>

Expenditure on Existing Properties	2021		2020	
	Component replacement £	Improvement £	Component replacement £	Improvement
Amounts capitalised	213,132	486,014	179,596	2,451,302
Amounts charged to the statement of comprehensive income	-	-	1,460,148	-

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £24,218,007 (2020 - £25,443,230)

The depreciation charge on housing properties as shown above differs from that per Note 3 due to accelerated depreciation on component replacements.

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 12. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Computer Equipment £	Total £
<b>COST</b>				
At 1 April 2020	948,699	42,863	73,374	1,064,936
Additions	-	13,718	36,305	50,023
Eliminated on disposals	-	(24,127)	(10,701)	( 34,828)
At 31 March 2021	<u>948,699</u>	<u>32,454</u>	<u>98,978</u>	<u>1,080,131</u>
<b>DEPRECIATION</b>				
At 1 April 2020	494,053	34,038	31,416	559,507
Charge for year	7,395	7,271	24,744	39,410
Eliminated on disposals	-	(24,127)	(10,701)	( 34,828)
At 31 March 2021	<u>501,448</u>	<u>17,182</u>	<u>45,459</u>	<u>564,089</u>
<b>NET BOOK VALUE</b>				
At 31 March 2021	<u>447,251</u>	<u>15,272</u>	<u>53,519</u>	<u>516,042</u>
At 31 March 2020	<u>454,646</u>	<u>8,825</u>	<u>41,958</u>	<u>505,429</u>



# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 13. RECEIVABLES

	2021	2020
	£	£
Gross arrears of rent and service charges	302,821	322,684
Less: Provision for doubtful debts	(277,774)	(295,790)
<i>Net arrears of rent and service charges</i>	25,047	26,894
Other receivables	934,838	575,526
	<u>959,885</u>	<u>602,420</u>

## 14. CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash at bank and in hand	10,146,199	9,379,556
	<u>10,146,199</u>	<u>9,379,556</u>

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

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

	2021	2020
	£	£
Bank loans	1,395,496	913,476
Trade payables	363,042	332,375
Rent received in advance	137,122	130,795
Other payables	476,885	427,918
	<u>2,372,545</u>	<u>1,804,564</u>

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

	2021	2020
	£	£
Bank loans	22,801,762	24,304,552
	<u>22,801,762</u>	<u>24,304,552</u>

## 17. DEBT ANALYSIS - BORROWINGS

	2021	2020
	£	£
<b>Bank Loans</b>		
Amounts due within one year	1,395,496	913,476
Amounts due in one year or more but less than two years	1,515,995	1,413,476
Amounts due in two years or more but less than five years	4,520,877	4,240,428
Amounts due in more than five years	16,764,890	18,650,648
	<u>24,197,258</u>	<u>25,218,028</u>

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

<b>Lender</b>	<b>Number of Properties Secured</b>	<b>Effective Interest Rate</b>	<b>Maturity (Year)</b>	<b>Variable or Fixed</b>
RBS	251	1.4%	2032	Fixed
RBS	311	0.9%	2038	Fixed
RBS	340	0.9%	2041	Fixed

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

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

	2021	2020
	£	£
Due to lenders At 31 March 2021	23,022,108	23,935,584
Effective interest rate adjustment	1,175,150	1,282,444
	<u>24,197,258</u>	<u>25,218,028</u>

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 18. RETIREMENT BENEFIT OBLIGATIONS

### Scottish Housing Association Pension Scheme

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

The Association also offers a defined contribution scheme to employees, however the information in this note refers to the defined benefit scheme only.

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

The last valuation of the Scheme was performed as at 30 September 2018 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £877m. The valuation revealed a shortfall of assets compared with the value of liabilities of £121m (equivalent to a past service funding level of 89%). A recovery plan is in place to eliminate the past service deficit which runs to 28 February 2022.

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

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

	2021	2020	2019
	£	£	£
Fair value of plan assets	7,403,000	6,520,000	5,527,000
Present value of defined benefit obligation	8,164,000	6,472,000	6,770,000
Surplus / (deficit) in plan	(761,000)	48,000	(1,243,000)
Unrecognised surplus	-	(48,000)	-
Defined benefit asset / (liability) to be recognised	(761,000)	-	(1,243,000)



# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 18. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

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

	2021	2020
	£	£
Defined benefit obligation at the start of period	6,472,000	6,770,000
Current service cost	155,000	190,000
Expenses	6,000	5,000
Interest expense	154,000	161,000
Contributions by plan participants	16,000	16,000
Actuarial losses (gains) due to scheme experience	(91,000)	226,000
Actuarial losses (gains) due to changes in demographic assumptions	-	(38,000)
Actuarial losses (gains) due to changes in financial assumptions	1,506,000	(800,000)
Benefits paid and expenses	(54,000)	(58,000)
Defined benefit obligation at the end of period	<u>8,164,000</u>	<u>6,472,000</u>

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

	2021	2020
	£	£
Fair value of plan assets at start of period	6,520,000	5,527,000
Interest income	157,000	133,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	431,000	602,000
Contributions by the employer	333,000	300,000
Contributions by plan participants	16,000	16,000
Benefits paid and expenses	(54,000)	(58,000)
Fair value of plan assets at the end of period	<u>7,403,000</u>	<u>6,520,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £588,000

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 18. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

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

	2021 £	2020 £
Current service cost	155,000	190,000
Expenses	6,000	5,000
Net interest expense	-	28,000
	<u>161,000</u>	<u>223,000</u>
Defined benefit costs recognised in statement of comprehensive income	161,000	223,000

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

	2021 £	2020 £
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	431,000	602,000
Experience gains and losses arising on plan liabilities - gain /(loss)	91,000	(226,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	-	38,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	(1,506,000)	800,000
	<u>(984,000)</u>	<u>1,214,000</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	(984,000)	1,214,000
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain / (loss)	51,000	(48,000)
	<u>(933,000)</u>	<u>1,166,000</u>
Total amount recognised in other comprehensive income - gain (loss)	(933,000)	1,166,000

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 18. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

#### Assets

	2021	2020	2019
	£	£	£
Absolute Return	365,000	400,000	468,000
Alternative Risk Premia	297,000	523,000	309,000
Corporate Bond Fund	558,000	476,000	388,000
Credit Relative Value	213,000	157,000	96,000
Distressed Opportunities	253,000	119,000	94,000
Emerging Markets Debt	298,000	232,000	177,000
Fund of Hedge Funds	-	-	15,000
Global Equity	1,145,000	897,000	889,000
Infrastructure	413,000	384,000	232,000
Insurance-Linked Securities	155,000	175,000	143,000
Liability Driven Investment	1,780,000	1,717,000	1,967,000
Long Lease Property	172,000	159,000	67,000
Net Current Assets	55,000	49,000	6,000
Over 15 Year Gilts	3,000	83,000	142,000
Private Debt	174,000	129,000	71,000
Property	133,000	121,000	110,000
Risk Sharing	265,000	207,000	160,000
Secured Income	407,000	362,000	193,000
Opportunistic Illiquid Credit	190,000	159,000	-
Liquid Credit	131,000	171,000	-
	<u>7,403,000</u>	<u>6,520,000</u>	<u>5,527,000</u>
Total assets	7,403,000	6,520,000	5,527,000

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



# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 18. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

#### Key Assumptions

	2021	2020	2019
Discount Rate	2.2%	2.4%	2.4%
Inflation (RPI)	3.3%	2.6%	3.3%
Inflation (CPI)	2.9%	1.6%	2.3%
Salary Growth	3.9%	2.6%	3.3%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance	75% of maximum allowance

#### The number of members of the pension scheme

	2021	2020
Employee members	17	18
Deferred pensioners	10	11
Pensioners	13	11
	<u>40</u>	<u>40</u>

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

	Life expectancy at age 65 years (years)
Male retiring in 2021	21.5
Female retiring in 2021	23.4
Male retiring in 2041	22.8
Female retiring in 2041	<u>25</u>

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 19. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
<b>Capital grants received</b>			
At 1 April 2020	31,798,608	736,138	32,534,746
Additions in the year	120,000	310,457	430,457
Eliminated on disposal	(10,868)	-	(10,868)
At 31 March 2021	<u>31,907,740</u>	<u>1,046,595</u>	<u>32,954,335</u>
<b>Amortisation</b>			
At 1 April 2020	844,059	20,886	864,945
Amortisation in year	836,717	19,934	856,651
At 31 March 2021	<u>1,680,776</u>	<u>40,820</u>	<u>1,721,596</u>
<b>Net book value</b>			
At 31 March 2021	<u>30,226,964</u>	<u>1,005,775</u>	<u>31,232,739</u>
At 31 March 2020	<u>30,954,549</u>	<u>715,252</u>	<u>31,669,801</u>

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

	2021 £	2020 £
Amounts due within one year	856,651	864,947
Amounts due in more than one year	30,376,088	30,804,854
	<u>31,232,739</u>	<u>31,669,801</u>

## 20. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2021 £	2020 £
At 1 April	40	45
Issued in year	-	1
Cancelled in year	(1)	(6)
At 31 March	<u>39</u>	<u>40</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.

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 21. CASH FLOWS

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

	£	2021 £	£	2020 £
Increase in cash	766,643		117,843	
Cashflow from change in net debt	1,020,770		1,019,544	
			<u>1,787,413</u>	<u>1,137,387</u>
Movement in net debt during the year		1,787,413		1,137,387
Net debt at 1 April		(15,838,472)		(16,975,859)
Net debt at 31 March		<u>(14,051,059)</u>		<u>(15,838,472)</u>

	At 1/Apr/2020 £	Cashflows £	Other Changes £	At 31/Mar/2021 £
Cash and cash equivalents	9,379,556	766,643	-	10,146,199
	<u>9,379,556</u>	<u>766,643</u>	<u>-</u>	<u>10,146,199</u>
Debt: Due within one year	(913,476)	1,020,770	(1,502,790)	(1,395,496)
Due after more than one year	(24,304,552)	-	1,502,790	(22,801,762)
Net debt	<u>(15,838,472)</u>	<u>1,787,413</u>	<u>-</u>	<u>(14,051,059)</u>

## 22. CAPITAL COMMITMENTS

	2021 £	2020 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	<u>2,965,833</u>	<u>-</u>

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

## 23. COMMITMENTS UNDER OPERATING LEASES

	2021 £	2020 £
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
<b>Other</b>		
Expiring in the next year	1,348	2,548
Expiring later than one year and not later than five years	<u>-</u>	<u>1,348</u>



# OCHIL VIEW HOUSING ASSOCIATION LIMITE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

## 24. DETAILS OF ASSOCIATION

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

The Association's principal place of business is Ochil House, Marshill, Alloa, Clackmannashire.

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

## 25. BOARD OF MANAGEMENT MEMBER EMOLUMENTS

Board of Management members received £0 (2020 - £732) in the year by way of reimbursement of expenses. No remuneration is paid to Board of Management members in respect of their duties to the Association.

## 26. EXCEPTIONAL ITEM

	2021	2020
	£	£
Breakage Costs	107,294	106,068

The exceptional item relates to the unwinding of the adjustment made for breakage costs on a fixed loan account which was refinanced in 2017. Breakage costs of £1,515,006 were imbedded into a new fixed interest rate and the full amount of the costs were accounted for in 2017. These costs are being released to the Statement of Comprehensive Income over the 15 year period of the fix.

## 27. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2021 No.	2020 No.
General needs	1,396	1,398
Shared ownership	17	18
	<u>1,413</u>	<u>1,416</u>

# OCHIL VIEW HOUSING ASSOCIATION LIMITED

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

## 28. RELATED PARTY TRANSACTIONS

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

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

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

	2021	2020
	£	£
Rent received from tenants on the Board of Management and their close family members	<u>22,994</u>	<u>22,117</u>
Members of the Board of Management who are tenants	5	5
Members of the Board of Management who are local authority employees	<u>2</u>	<u>1</u>

