



Alexander Sloan
Accountants and Business Advisers

Southside Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2021

Registered Social Landlord No. HCB186

FCA Reference No. 1694R(S)

Scottish Charity No. SC036009

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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SOUTHSIDE HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

MANAGEMENT COMMITTEE

Margaret McIntyre

Alex Cameron

Jonah Chireka

Iain Dyer

Betty Macneill

Kenneth Ross

Surjit Singh Chowdhary

Bob Turnbull

Munir Choudry

Alison Devlin

Ruth McCluskey

Shirley Robison

Chairperson

Vice Chairperson

Secretary

Honorary President

Resigned 17th September 2020

Resigned 25 June 2020, Co-opted 25th February 2021

Co-opted 25th February 2021

EXECUTIVE OFFICERS

Patrick McGrath

Allan Forfar

Norma Taylor

Manda Wright

Donna Reilly

Director

Head of Housing Management

Deputy Director

Head of Finance & Commercial

Head of Investment & Development

REGISTERED OFFICE

135 Fifty Pitches Road

Glasgow

G51 4EB

EXTERNAL AUDITORS

Alexander Sloan

Accountants and Business Advisers

180 St Vincent Street

Glasgow

G2 5SG

INTERNAL AUDITORS

BDO LLP

4 Atlantic Quay

70 York Street

Glasgow

BANKERS

Bank of Scotland

236 Albert Drive

Glasgow

G41 2NL

SOLICITORS

TC Young

7 West George Street

Glasgow

G2 1BA

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

The Management Committee 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. 1694R(S)), the Scottish Housing Regulator as a registered social landlord (No. HCB186) under the Housing (Scotland) Act 2010 and as is a registered Scottish Charity with the charity number SC036009.

Principal Activities

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

Review of Business and Future Developments

The impact of Covid-19 and the pandemic significantly affected all aspects of the Association's performance during 2020/21. The Association like all other UK businesses went into Lockdown in late March 2020 and although there was some respite from the commercial and societal restrictions of Lockdown during the late summer and autumn of 2020 much of the latter part of 2020/21 was again in severe Lockdown as a result of the second wave of the virus, with a repeat of the serious restrictions on the Association's activities.

The Association reported an operating surplus of £2,390,162 (2019/20: £984,799)

The equity balance of £45,686,467 (2019/20: £43,166,696) is reported in the Statement of Financial Position (page 16).

Governing Body

The Association's Governing Body is the Management Committee which meets monthly. Despite the Covid-19 restrictions, the Management Committee continued to meet monthly through 2020/21 and all meetings of the Committee were quorate. Meetings took place virtually using a digital meeting platform. The Association's Annual General Meeting was also held virtually and included a Special General Meeting to approve new model rules. The Association utilised U.K. emergency legislation which allowed the AGM to be held virtually, and added a clause in the new model rules to allow for future AGMs to be held virtually if required. At the AGM which was held in September, a third of the Management Committee stood down in accordance with our rules and any members who had served for more than 9 consecutive years were subject to a review in accordance with the rules of the Association. All Committee members underwent an annual appraisal, again consistent with our rules and with the Regulatory Framework that we work to.

The one compromise made in our Governance arrangements during the pandemic was to suspend the operation of our Neighbourhood Committees, which are locally delegated decision making bodies. It is hoped to reinstate these bodies in 2021/22 following a review.

The Association has a complex network of Regulators but there was no significant engagement with any of our Regulators during 2020/21. The Scottish Housing Regulator responded to the Covid-19 crisis by introducing a monthly reporting mechanism to track key Covid impacts on the sector, and the Association responded positively to this engagement. The Association also made extensive use of the Regulator's Notifiable Events framework to provide formal records of any changes to service delivery as a result of Covid-19.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

Performance as a Registered Landlord

The normal performance of the Association was significantly affected by Covid-19. The repairs service was restricted at various times during the year with only Emergency Repairs being executed for several months. Similarly the Association was unable to let homes for many months and this had an impact upon rental income and re-let timescales. Table 1 below provides a comparison of key performance indicators from the Annual Return on the Charter (ARC) over the past three years including this year.

Table 1 –Summary of Performance Outputs Reported in the ARC.

Indicators	2018/19	2019/20	2020/21	Scottish Average 2019/20
Gross Rent Arrears as a percentage of rent due (Indicator 27)	6.58	5.91	6.04	6
Average days to re-let properties (Indicator 30)	21.07	12.19	38.73	31.8
Percentage of rent due lost through empty properties (Indicator 34)	0.5	0.33	0.61	1.2
Percentage of tenancy offers refused (Indicator 18)	43.55	30.85	38.35	34.4
Percentage of New tenancies sustained for more than a year (Indicator 20)	93.1	93.57	100	92.8
Percentage of tenants satisfied with the quality of their home (Indicator 7)	84.57	96.00	96.00	87
Average hours taken to complete emergency repairs (Indicator 8)	1.97	1.72	1.99	3.6
Average length of time taken to complete non-emergency repairs (Indicator 9)	4.25	3.98	2.81	6.4
Percentage of homes with gas safety record renewed by anniversary date (Indicator 11)	99.6	100	100	?
Percentage of reactive repairs completed right first time (Indicator 10)	97.24	91.05	96.98	92.4
Satisfaction with repairs service (Indicator 12)	93.7	90.60	-----	91.3
Percentage of self-contained properties that meet SHQS (Indicator 6)	85.02	81.35	74.76	94.4
Percentage of stage 1 complaints resolved within SPSO timeframes (Indicator 3)	86.54	89.04		N/A
Percentage of stage 2 complaints resolved within SPSO timeframes (Indicators 4)	78.26	80.95		N/A

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

Performance as a Registered Landlord (Contd.)

A detailed comparative report on the ARC is delivered to every tenant in October each year along with an Annual Assurance statement to customers that will highlight strengths and weaknesses in relation to our regulatory obligations.

Investment in our Homes

The various public health restrictions significantly affected the programme of investment in tenants' homes, particularly any work that involved working within homes. Planned maintenance works were on standstill due to Covid-19 from April 2020 – Sept 2020. In September the Association was able to remobilise Air Source Heat Pump (ASHP) installations and Cold Water Mains and Bathroom upgrade works. We also appointed a new contractor for Phase 2 of the Smoke & Heat Alarms contract in January 2021.

Capital and Revenue Improvement Projects 2020-2021			
Project ID	Address	No. of Properties	Spend
Kitchen Replacement	Ad-hoc Properties	4	£11,124.93
Bathroom Replacement	11-25 Midlock St	10	£183,898.96
	63 - 81 Ibrox St	11	
	8 - 20 Govan Road	12	
	Ad- Hoc Properties	6	
Air Source Heating System Replacement	Swinton Place	16	£260,977.50
	St Andrews Drive / Crescent	9	
Common Water system upgrade(As part of ASHP)	12- 48 Swinton Place	Common Areas	£195,283.39
Common Water Tank and Booster Pumps Replacement	5 Queensland Court	Common Areas	£60,000.00
Cyclical Paintwork	4-14 St Andrews Crescent (Internal Block/ Bin Shelters)	Common Areas	£55,058.33
	5 Queensland Court (Ground Floor Exterior / Entrances)		
	15 Queensland Gardens (Ground Floor Exterior / Entrances)		
	605 Pollokshaws Road (Internal Block/ External Railings)		
	380 -390 Tantallon Road (Internal Block)		
Total			£766,343.11

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

Building New Homes

Table 3 below sets out the scale of the Association's Development commitments over the past year and to address housing need in the local community. In the past year we have committed expenditure of approximately £30m on new homes.

Table 3 – New Homes								
No	Project	Rent	MMR	Shared Equity	Other	Grant Funding (£M)	SHA Funding (£M)	Completion
1	43 Allison Street	33	16		1	£4.038	£3.387	Nov 2021
2	St Andrews Dr, Phase 2	59		17		£9.125	£4.980	March 2023
3	St Andrews Dr, Phase 3	32		12		£5.038	£2.240	March 2023
4	Pollokshields Tenements	6				£0.500	£0.500	March 2021
	TOTAL	130	16	29	1	£18.701	£11.107	

In addition to this work we have also environmental improvement works at Halfway Park, follow up work to the main contract, and we have prepared tenders for environmental work at Queensland.

Southside Factoring and Related Services Ltd. (SFARS Ltd.)

The Association continues to operate a commercial subsidiary, SFARS Ltd. As a charity, the Association strives to ensure that this commercial subsidiary is a net contributor to the financial health of the Association. In most years the subsidiary delivers a small profit and the Association has the option to receive this surplus as a tax deductible distribution. The subsidiary company provides a range of services including factoring, Mid-Market Rent and Private Letting. In 2021 the Association began a process of integrating the operational delivery of many of these services into the new Neighbourhood Team, Customer Service Department and Income Maximisation Team.

Care and Repair

The Association is the Managing Agent for Glasgow Care and Repair and carries out a range of work for older and disabled home owners and for older tenants of housing associations. The service underwent a major review with partners Glasgow City Council and Glasgow Health and Social Care Partnership in 2021/22 and this will hopefully result in new funding arrangements in the coming year. Table 4 below provides a breakdown of funding over the past year. The service continues to attract high levels of customer satisfaction.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

Table 4- Funding & Income 2020/21

Service	Partner Agency	Funding
<p>Advice & Information & Handyperson Services</p> <p>City wide service to home owners and private rented tenants over 65 or with a disability</p>	Glasgow City Council	£170,000
<p>Home and Hospital Service</p> <p>City wide service to patients over 65 being discharged from hospital or to prevent hospital admission</p>	Glasgow City Council/Glasgow Health and Social Care Partnership (Integrated Care Fund)	£38,218
<p>Handyperson Service</p> <p>Tenants over 65 or with a disability</p> <p>* In exchange for the Handyperson Service provided to Southside HA C&R Advice & Information and Handyperson Home Owners can access the Southside HA Welfare Rights and Money Advice Services, value £6776).</p>	<p>Southside (2123 homes)</p> <p>New Gorbals (2566 homes)</p> <p>Govanhill (2795 homes)</p> <p>Thenue (2950 homes)</p> <p>Blackwood (107 homes)</p> <p>Linthouse (1178 homes)</p> <p>Glen Oaks (1306 homes)</p> <p>Rosehill (1028 homes)</p> <p>Whiteinch & Scotstoun (1300 homes)</p> <p><i>Total HA Income</i></p>	<p>£6,517.61</p> <p>£7,887.62</p> <p>£8,580.65</p> <p>£9,056.50</p> <p>£328.49</p> <p>£3,616.46</p> <p>£4,009.42</p> <p>£3,155.96</p> <p>£3,991.00</p> <p>£47,143.71</p>
<p>Home Energy Efficiency Programme Scotland (HEEPS)</p> <p>City wide Home Equity Loan Scheme to owners (Council band A-C or eligible benefits). Scheme also now extended to Renfrewshire & Inverclyde</p>	Scottish Government and Energy Saving Trust	£41,988.00
<p>Gas Safe Charity Fund</p> <p>Grants to owners and private rented tenants over 65 or with a disability</p>	Foundations Independent Living Trust	£5,114.32
Total Annual Funding		£302,464.03

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

A breakdown of services and related outputs is provided in Table 5 below.

Table 5 - Value for Money 2020/21

SERVICE	PARTNER AGENCY	Funding/ Income 2020/21	Value of work completed 2020/21	No. of referrals 2020/21	No. of home visits 2020/21	No. of completed jobs 2020/21
Advice & Information	GCC	£85,000	£228,450	1,314	20	729
Home & Hospital Handyperson Service	GCC/HSCP (ICF)	£38,218	£38,722	529	498	1019
Handyperson Service	GCC	£85,000	£66,424	922	900	1748
	Southside HA*	£6,518	£8,892	109	113	234
	New Gorbals HA	£7,888	£4,460	76	74	144
	Govanhill HA	£8,581	£1,330	17	17	35
	Blackwood HA	£328	£266	4	4	7
	Linthouse HA	£3,616	2,014	24	26	53
	Glen Oaks HA	£4,009	£760	11	12	20
	Thenue HA	£9,056	£3,078	45	47	81
	Rosehill HA	£3,156	£342	5	7	9
	Whiteinch & Scotstoun	£3,911	£2,280	40	41	60
Advice, Home & Hospital & Handyperson Services	TOTALS	£255,281	£357,018	3,096	1,759	4,139
Home Energy Efficiency Programme Scotland (HEEPS):	Scottish Government & Energy Saving Trust	£41,988	£161,485	84	65	14
Gas Safe Charity Fund	Foundations Independent Living Trust	£5,114	£4,774	36	n/a	34
TOTAL: ALL SERVICES	TOTAL	£302,383	£523,277	3,216	1,824	4,187

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

Advice Services

The Association continues to maintain a specialism in Welfare Rights and Money Advice Services and as well as providing these services to our own residents, we also provide support to other housing associations and community organisations. Tables 6 & 7 below provide a breakdown of the Advice Service activity over 2020/21.

Table 6: Welfare Rights Caseload and Financial Outcomes	
Case Details Count Number of Cases	Financial Gains Sum Calculated Financial Gain
2315	£1,856,032.17
2315	£1,856,032.17

Table 7: Breakdown of Financial gains by Service		
Case Funding Sources Funding Source	Case Details Count Number of Cases	Financial Gains Sum Calculated Financial Gain
Cathcart & District	109	£170,913.43
Community	140	£194,655.98
Craigdale	81	£181,075.43
Energy Savings Trust	1302	£41,958.64
Southside	683	£1,267,428.69
Report Total	2315	£1,856,032.17

In addition to the main Welfare Rights outputs set out above, the service also provides specialist debt advice and is registered with the Financial Conduct Authority for this service. Table 8 below provide a breakdown of the main outputs for this service in the past year.

Table 8. Money Advice Active cases per service	
Funding Source	Number of Active cases
Southside Housing Association	64
Cathcart & District Housing Association	12
Craigdale Housing Association	7
New Gorbals Housing Association	25
Community Cases	29
Total	137

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

Management Committee and Executive Officers

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

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

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

Statement of Management Committee's Responsibilities

The Co-operative and Community Benefit Societies Act 2014 requires the Management Committee to prepare financial statements for each financial year 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 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 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 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. 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 Management Committee 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.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

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;
- 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 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 Management Committee is undertaken;
- 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 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 £2,050 (2020 - £2,630).

Disclosure of Information to the Auditor

The members of the Management Committee 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.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

By order of the Management Committee

JONAH CHIREKA
Secretary

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE MEMBERS OF SOUTHSIDE HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the financial statements, we have reviewed your statement on page 10 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 10 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

Through enquiry of certain members of the Management Committee and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by 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.

ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW



SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

Opinion

We have audited the financial statements of Southside 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 Management Committee 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 Management Committee 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.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHSIDE 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 Management Committee

As explained more fully in the statement of Management Committee's responsibilities as set out on page 9, the Management Committee 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 Management Committee 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 Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either 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:

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

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

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

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

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

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

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

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

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

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

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

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

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

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

Description of the auditor's responsibilities for the audit of the financial statements

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

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

Use of our Report

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

ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW



SOUTHSIDE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Revenue	2		14,388,304		14,051,191
Operating costs	2		11,998,142		13,066,392
OPERATING SURPLUS			<u>2,390,162</u>		<u>984,799</u>
Gain on sale of housing stock	7	396,316		-	
Release of negative goodwill	13	111,000		111,000	
Exceptional item	27	129,424		(663,305)	
Interest receivable and other income		13,856		51,787	
Interest payable and similar charges	8	(158,981)		(161,419)	
Other Finance income/(charges)	10	<u>(9,000)</u>		<u>(39,000)</u>	
			<u>482,615</u>		<u>(700,937)</u>
SURPLUS FOR THE YEAR			<u>2,872,777</u>		<u>283,862</u>
Other comprehensive income					
Actuarial gains/(losses) on defined benefit pension plan	20		(353,000)		1,153,000
TOTAL COMPREHENSIVE INCOME			<u><u>2,519,777</u></u>		<u><u>1,436,862</u></u>

The results relate wholly to continuing activities.

The notes on pages 21 to 45 form an integral part of these financial statements.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
NON-CURRENT ASSETS					
Housing properties - depreciated cost	11		109,283,199		103,634,389
Other tangible assets	11		1,892,449		2,332,445
Intangible assets	11		345,287		180,676
Investments	12		1		1
			<u>111,520,936</u>		<u>106,147,511</u>
Negative goodwill	13		(4,442,824)		(4,553,824)
CURRENT ASSETS					
Receivables	14	1,498,474		2,107,270	
Shared equity properties for sale	15	121,126		544,500	
Cash and cash equivalents	16	5,282,492		5,105,604	
			<u>6,902,092</u>	<u>7,757,374</u>	
CREDITORS: Amounts falling due within one year	17	(4,564,099)		(4,830,847)	
NET CURRENT ASSETS			<u>2,337,993</u>		<u>2,926,527</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>109,416,105</u>		<u>104,520,214</u>
CREDITORS: Amounts falling due after more than one year	18		(1,414,813)		(1,607,818)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	20	(526,367)		(107,956)	
Strathclyde pension fund	20	(189,000)		(387,000)	
			<u>(715,367)</u>		<u>(494,956)</u>
DEFERRED INCOME					
Social housing grants	21	(61,520,844)		(59,172,129)	
Other grants	21	(78,615)		(78,615)	
			<u>(61,599,459)</u>	<u>(59,250,744)</u>	
NET ASSETS			<u>45,686,467</u>		<u>43,166,696</u>
EQUITY					
Share capital	22		202		208
Revenue reserves			46,401,631		43,661,444
Pension reserves			(715,367)		(494,956)
			<u>45,686,467</u>		<u>43,166,696</u>

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 31 August 2021.

Committee Member

Committee Member

Secretary

The notes on pages 21 to 45 form an integral part of these financial statements.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021	2020
		£	£
Surplus for the Year		2,872,777	283,862
<i>Adjustments for non-cash items:</i>			
Depreciation of tangible fixed assets	11	3,423,339	2,933,016
Amortisation of intangible assets	11	86,322	-
Amortisation of capital grants	21	(1,791,644)	(1,742,791)
Gain on disposal of tangible fixed assets		(395,274)	58,925
Release of negative goodwill	13	(111,000)	(111,000)
Non-cash adjustments to pension provisions		(132,589)	71,956
Share capital written off	22	(7)	(5)
		<u>1,079,147</u>	<u>1,210,101</u>
Interest receivable		(13,856)	(51,787)
Interest payable	8	158,981	161,419
		<u>1,079,147</u>	<u>1,210,101</u>
Operating cash flows before movements in working capital		4,097,048	1,603,595
Change in properties developed for resale		-	-
Change in debtors		608,796	(996,890)
Change in creditors		(181,869)	658,227
		<u>426,927</u>	<u>(338,663)</u>
Net cash inflow from operating activities		4,523,976	1,264,932
Investing Activities			
Acquisition and construction of properties		(8,807,669)	(9,184,013)
Purchase of Intangible Fixed Assets		(250,932)	(180,676)
Purchase of other fixed assets		(65,846)	(22,892)
Social housing grant received		4,308,504	4,336,781
Social housing grant repaid		(74,596)	(80,631)
Proceeds on disposal of housing properties		872,955	242,000
Proceeds on disposal of other tangible assets		(502)	-
		<u>(4,018,086)</u>	<u>(4,889,431)</u>
Net cash outflow from investing activities		(4,018,086)	(4,889,431)
Financing Activities			
Loan arrangement fees		-	-
Interest received on cash and cash equivalents		13,856	51,787
Interest paid on loans		(158,981)	(161,419)
Loan principal repayments		(183,878)	(1,007,927)
Share capital issued	22	1	10
		<u>(329,002)</u>	<u>(1,117,549)</u>
Net cash outflow from financing activities		(329,002)	(1,117,549)
Increase/(decrease) in cash	23	176,888	(4,742,048)
Opening cash & cash equivalents		5,105,604	9,847,652
Closing cash & cash equivalents		<u>5,282,492</u>	<u>5,105,604</u>
Cash and cash equivalents as at 31 March			
Cash	23	5,282,492	5,105,604
		<u>5,282,492</u>	<u>5,105,604</u>

The notes on pages 21 to 45 form an integral part of these financial statements.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2021

	Share Capital	Strathclyde Pension Reserve	Scottish Housing Association Pension Reserve	Revenue Reserve	Total
	£	£	£	£	£
Balance as at 1 April 2019	203	(763,000)	(813,000)	43,305,626	41,729,829
Issue of Shares	10	-	-	-	10
Cancellation of Shares	(5)	-	-	-	(5)
Other comprehensive income	-	551,000	602,000	-	1,153,000
Other movements	-	(175,000)	103,044	71,956	-
Surplus for the year	-	-	-	283,862	283,862
Balance as at 31 March 2020	208	(387,000)	(107,956)	43,661,444	43,166,696
Balance as at 1 April 2020	208	(387,000)	(107,956)	43,661,444	43,166,696
Issue of Shares	1	-	-	-	1
Cancellation of Shares	(7)	-	-	-	(7)
Other comprehensive income	-	193,000	(546,000)	-	(353,000)
Other movements	-	5,000	127,589	(132,589)	-
Surplus for the year	-	-	-	2,872,777	2,872,777
Balance as at 31 March 2021	202	(189,000)	(526,367)	46,401,631	45,686,467

The notes on pages 21 to 45 form an integral part of these financial statements.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

Going Concern

On the basis that the Management Committee 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.

SOUTHSIDE 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>
Windows	30 years
Kitchen	15 years
Bathroom	20 years
Central Heating	20 years
Boilers	15 years
Rewiring	25 years
Lift Installation	25 years
Structure	50 years
CCTV	10 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	2%
Furniture and Fittings	33%
Computer & Office Equipment	20%-33%
Motor vehicles	20%

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

Disposals under shared equity schemes are accounted for in the statement of comprehensive income. Unsold shared equity properties are included within current assets net of grant received.

Taxation

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

SOUTHSIDE 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.

Negative Goodwill

Negative goodwill created through acquisition is written off to the Statement of Comprehensive Income as the non-cash assets acquired are depreciated or sold.

VAT

The Association is VAT registered but the substantial proportion of its income is exempt for VAT purposes. As a result most of the VAT paid is not recovered and therefore expenditure is shown inclusive of VAT.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

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.

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

Key Judgements

a) Categorisation of Housing Properties

In the judgement of the 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 Management Committee 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 Management Committee 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 participated 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 a percentage basis split across the number of properties the Association owns.

e) Defined pension liability

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

SOUTHSIDE 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

		2020			2019		
	Notes	Turnover	Operating costs	Operating surplus / (deficit)	Turnover	Operating costs	Operating surplus / (deficit)
		£	£	£	£	£	£
Affordable letting activities	3	12,905,258	10,739,874	2,165,383	12,621,709	11,364,232	1,257,477
Other Activities	4	1,483,047	1,258,268	224,778	1,429,482	1,702,160	(272,678)
Total		14,388,304	11,998,142	2,390,162	14,051,191	13,066,392	984,799

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

	General Needs Housing	Supported Housing	Shared Ownership	2021 Total	2020 Total
	£	£	£	£	£
Revenue from Lettings					
Rent receivable net of service charges	9,708,744	981,485	196,297	10,886,526	10,519,749
Service charges receivable	113,552	149,204	29,841	292,597	245,878
Gross income from rent and service charges	9,822,296	1,130,689	226,138	11,179,123	10,765,627
Less: Rent losses from voids	132,983	-	-	132,983	132,993
Income from rents and service charges	9,689,313	1,130,689	226,138	11,046,140	10,632,634
Grants released from deferred income	1,791,644	-	-	1,791,644	1,822,791
Other revenue grants	67,474	-	-	67,474	166,284
Total turnover from affordable letting activities	11,548,431	1,130,689	226,138	12,905,258	12,621,709
Expenditure on affordable letting activities					
Management and maintenance administration	3,803,110	385,377	77,075	4,265,562	5,143,278
Service costs	430,570	153,344	30,668	614,582	653,303
Planned and cyclical maintenance, including major repairs	844,081	74,409	14,882	933,372	668,627
Reactive maintenance costs	1,288,920	133,462	26,692	1,449,075	1,791,555
Bad Debts - rents and service charges	149,535	9,632	1,926	161,093	185,354
Depreciation of affordable let properties	2,921,138	-	-	2,921,138	2,922,115
Operating costs of affordable letting activities	9,832,407	756,223	151,244	10,739,874	11,364,232
Operating surplus on affordable letting activities	1,716,024	374,466	74,894	2,165,383	1,257,477
2020	967,668	241,507	48,302		

SOUTHSIDE 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

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2021	Operating surplus / (deficit) 2020
	£	£	£	£	£	£	£	£	£
Wider role activities	-	63,980	-	-	63,980	-	61,362	2,618	(61,072)
Care and repair	220,591	79,583	23,065	55,669	378,907	-	259,761	119,146	(28,430)
Support activities	32,100	26,769	-	26,732	85,601	-	-	85,601	(75,612)
Care activities	-	-	-	-	-	-	-	-	-
Subsidiary	-	-	-	55,000	55,000	-	-	55,000	55,000
Shared equity sales	-	-	-	423,500	423,500	-	423,500	-	-
Food point project	-	154,000	-	38,685	192,685	-	197,504	(4,819)	-
Shared equity sales	-	-	-	-	-	-	-	-	-
Other activities	58,860	51,531	-	112,946	223,337	-	146,896	76,441	137,285
Commercial Leases	-	-	-	60,037	60,037	-	-	60,037	(13,401)
Development Costs	-	-	-	-	-	-	169,246	(169,246)	(286,448)
Total From Other Activities	311,550	375,863	23,065	772,569	1,483,047	-	1,258,268	224,778	(272,678)
2020	524,940	351,946	24,457	528,139	1,429,482	-	1,702,160	(272,678)	

SOUTHSIDE 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 Management Committee, managers and employees of the Association. Emoluments includes social security costs.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	<u>193,570</u>	<u>188,845</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>74,525</u>	<u>69,705</u>
Emoluments payable to Director (excluding pension contributions)	64,456	65,303
Pension contributions paid on behalf of the Director	<u>39,997</u>	<u>36,898</u>
Total emoluments payable to the Director	<u>104,453</u>	<u>102,201</u>
Total emoluments paid to key management personnel	<u>404,914</u>	<u>386,146</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	2
£70,001 to £80,000	2	1
£80,001 to £90,000	1	1
£100,001 to £110,000	<u>1</u>	<u>1</u>

6. EMPLOYEE INFORMATION

	2021 No.	2020 No.
Average monthly number of full time equivalent persons employed during the year	<u>92</u>	<u>100</u>
Average total number of employees employed during the year	<u>103</u>	<u>109</u>
Staff costs were:	£	£
Wages and salaries	2,837,394	2,927,661
National insurance costs	263,902	268,011
Pension costs	375,209	604,015
Temporary, agency and seconded staff	5,559	123,633
	<u>3,482,064</u>	<u>3,923,320</u>

SOUTHSIDE 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	488,606	-
Cost of sales	92,290	-
Gain on sale of housing stock	<u>396,316</u>	<u>-</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£	£
On bank loans and overdrafts	71,481	161,419
	<u>158,981</u>	<u>161,419</u>

9. SURPLUS FOR THE YEAR

	2021	2020
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	3,423,339	2,933,016
Gain on component disposals	(3,101)	(58,925)
Auditors' remuneration - audit services	19,680	12,960
Operating lease rentals - other	26,377	17,402
(Loss) on sale of other non-current assets	<u>1,042</u>	<u>-</u>

10. OTHER FINANCE INCOME / (CHARGES)

	2021	2020
	£	£
Net interest on pension obligations	<u>(9,000)</u>	<u>(39,000)</u>

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
COST				
At 1 April 2020	125,912,833	16,191,170	4,395,836	146,499,839
Additions	-	8,659,137	-	8,659,137
Disposals	(211,693)	-	(0)	(211,693)
Transfers	1,566,713	(1,467,754)	(118,471)	(19,512)
	<u>127,267,853</u>	<u>23,382,553</u>	<u>4,277,365</u>	<u>154,927,770</u>
At 31 March 2021	127,267,853	23,382,553	4,277,365	154,927,770
DEPRECIATION				
At 1 April 2020	42,187,785	-	677,665	42,865,450
Charge for Year	2,832,490	-	85,547	2,918,037
Transfers	-	-	19,512	19,512
Disposals	(119,404)	-	(39,024)	(158,428)
	<u>44,900,871</u>	<u>-</u>	<u>743,700</u>	<u>45,644,571</u>
At 31 March 2021	44,900,871	-	743,700	45,644,571
NET BOOK VALUE				
At 31 March 2021	<u>82,366,982</u>	<u>23,382,553</u>	<u>3,533,664</u>	<u>109,283,199</u>
At 31 March 2020	<u>83,725,048</u>	<u>16,191,170</u>	<u>3,718,171</u>	<u>103,634,389</u>

Expenditure on Existing Properties	2021		2020	
	<i>Component replacement</i> £	<i>Improvement</i> £	<i>Component replacement</i> -	<i>Improvement</i> £
Amounts capitalised	1,566,713	-	396,526	876,198
Amounts charged to the statement of comprehensive income	-	2,382,447	-	2,460,182
	<u>1,566,713</u>	<u>2,382,447</u>	<u>396,526</u>	<u>2,460,182</u>

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £34,015,882 (2020 - £36,093,127)

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

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

11. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Motor Vehicles £	Commercial Property £	Total £
COST					
At 1 April 2020	2,530,389	70,433	88,033	425,552	3,114,407
Additions	-	33,553	32,293	-	65,846
Eliminated on disposals	-	(12,322)	(17,988)	-	(30,310)
At 31 March 2021	<u>2,530,389</u>	<u>91,665</u>	<u>102,338</u>	<u>425,552</u>	<u>3,149,944</u>
DEPRECIATION					
At 1 April 2020	524,728	29,298	53,178	174,758	781,962
Charge for year	445,661	30,555	20,576	8,511	505,302
Eliminated on disposals	-	(12,322)	(17,448)	-	(29,770)
At 31 March 2021	<u>970,389</u>	<u>47,531</u>	<u>56,306</u>	<u>183,269</u>	<u>1,257,494</u>
NET BOOK VALUE					
At 31 March 2021	<u>1,560,000</u>	<u>44,134</u>	<u>46,033</u>	<u>242,283</u>	<u>1,892,449</u>
At 31 March 2020	<u>2,005,661</u>	<u>41,135</u>	<u>34,855</u>	<u>250,794</u>	<u>2,332,445</u>

11. (c) Intangible assets

	Website & Software £	Total £
COST		
At 1 April 2020	180,676	180,676
Additions	250,932	250,932
At 31 March 2021	<u>431,608</u>	<u>431,608</u>
AMORTISATION		
At 1 April 2020	-	-
Charge for year	86,322	86,322
At 31 March 2021	<u>86,322</u>	<u>86,322</u>
NET BOOK VALUE		
At 31 March 2021	<u>345,287</u>	<u>345,287</u>
At 31 March 2020	<u>180,676</u>	<u>180,676</u>

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

12. FIXED ASSET INVESTMENTS

	2021	2020
	£	£
Subsidiary undertakings	1	1

Subsidiary Undertakings

Southside Housing Association Limited has the following wholly owned subsidiary undertakings. The registered office of the subsidiary is ,135 Fifty Pitches Road,Glasgow.

	2021 Unaudited		2020 Audited	
	Reserves	Profit / (Loss)	Reserves	Profit / (Loss)
	£	£	£	£
Southside Factoring and Related Services Ltd	-	-	(6,078)	1,046

13. NEGATIVE GOODWILL

	2021	2020
	£	£
At 1 April 2020	4,553,824	4,664,824
Released during the year to the statement of comprehensive income	(111,000)	(111,000)
At 31 March 2021	4,442,824	4,553,824

14. RECEIVABLES

	2021	2020
	£	£
Gross arrears of rent and service charges	779,618	640,472
Less: Provision for doubtful debts	(490,609)	(490,055)
<i>Net arrears of rent and service charges</i>	289,009	150,417
Social housing grant receivable	-	-
Other receivables	949,154	1,916,295
Amounts due from group undertakings	260,312	40,558
	<u>1,498,474</u>	<u>2,107,270</u>

15. SHARED EQUITY PROPERTIES FOR RESALE

	2021	2020
	£	£
Shared equity properties for sale	121,126	544,500
	<u>121,126</u>	<u>544,500</u>

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. CASH AND CASH EQUIVALENTS		
	2021	2020
	£	£
Cash at bank and in hand	5,282,492	5,105,604
	<u>5,282,492</u>	<u>5,105,604</u>

17. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2021	2020
	£	£
Bank loans	184,627	175,500
Trade payables	966,263	1,120,448
Rent received in advance	295,409	238,620
Social housing grant in advance	1,079,792	986,242
Other taxation and social security	97,187	89,370
Other payables	542,107	763,394
Accruals and deferred income	1,398,714	1,457,273
	<u>4,564,099</u>	<u>4,830,847</u>

18. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2021	2020
	£	£
Bank loans	1,414,813	1,607,818
	<u>1,414,813</u>	<u>1,607,818</u>

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

19. DEBT ANALYSIS - BORROWINGS

	2021	2020
	£	£
Bank Loans		
Amounts due within one year	184,627	175,500
Amounts due in one year or more but less than two years	179,627	118,135
Amounts due in two years or more but less than five years	538,881	409,676
Amounts due in more than five years	696,305	1,080,007
	<u>1,599,440</u>	<u>1,783,318</u>

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

Lender	Number of Properties Secured	Interest Rate	Maturity (Year)	Variable or Fixed
Bank of Scotland	26	0.6%	2029	Variable
Nationwide Building Society	150	0.7%	2034	Variable
Nationwide Building Society	82	0.7%	2038	Variable
Handelsbanken	733	1.6%	2024	Variable

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

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

	2021	2020
	£	£
Due to lenders At 31 March 2021	1,836,240	2,025,874
Effective interest rate adjustment	(236,800)	(242,556)
	<u>1,599,440</u>	<u>1,783,318</u>

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

20. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

Southside Housing Association Limited previously participated 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 moved to a defined contribution scheme but has a net liability for the past service deficit in the defined benefit scheme.

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

The last valuation of the Scheme was performed as at 30 September 2018 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £877m. The valuation revealed a shortfall of assets compared with the value of liabilities of £121m (equivalent to a past service funding level of 89%). A recovery plan is in place to eliminate the past service deficit which 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 employer. 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	4,710,000	4,255,000	4,008,000
Present value of defined benefit obligation	5,236,000	4,363,000	4,821,000
Surplus / (deficit) in plan	(526,000)	(108,000)	(813,000)
Unrecognised surplus	-	-	-
Defined benefit asset / (liability) to be recognised	(526,000)	(108,000)	(813,000)

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

20. 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	4,363,000	4,821,000
Expenses	4,000	4,000
Interest expense	103,000	110,000
Actuarial losses (gains) due to scheme experience	(28,000)	84,000
Actuarial losses (gains) due to changes in demographic assumptions	-	(27,000)
Actuarial losses (gains) due to changes in financial assumptions	860,000	(487,000)
Benefits paid and expenses	(66,000)	(142,000)
Defined benefit obligation at the end of period	<u>5,236,000</u>	<u>4,363,000</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	4,255,000	4,008,000
Interest income	102,000	92,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	286,000	172,000
Contributions by the employer	133,000	125,000
Benefits paid and expenses	(66,000)	(142,000)
Fair value of plan assets at the end of period	<u>4,710,000</u>	<u>4,255,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £388,000

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

20. 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	-	-
Expenses	4,000	4,000
Net interest expense	1,000	18,000
	<u>5,000</u>	<u>22,000</u>
Defined benefit costs recognised in statement of comprehensive income	<u>5,000</u>	<u>22,000</u>

income

	2021	2020
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	286,000	172,000
Experience gains and losses arising on plan liabilities - gain /(loss)	28,000	(84,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	-	27,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	(860,000)	487,000
	<u>(546,000)</u>	<u>602,000</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	<u>(546,000)</u>	<u>602,000</u>
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain / (loss)	-	-
	<u>(546,000)</u>	<u>602,000</u>
Total amount recognised in other comprehensive income - gain (loss)	<u>(546,000)</u>	<u>602,000</u>

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

20. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2021	2020	2019
	£	£	£
Absolute Return	232,000	261,000	339,000
Alternative Risk Premia	189,000	341,000	224,000
Corporate Bond Fund	355,000	311,000	281,000
Credit Relative Value	136,000	102,000	70,000
Distressed Opportunities	161,000	78,000	68,000
Emerging Markets Debt	190,000	151,000	128,000
Fund of Hedge Funds	-	-	11,000
Global Equity	729,000	585,000	645,000
Infrastructure	263,000	251,000	168,000
Insurance-Linked Securities	98,000	114,000	104,000
Liability Driven Investment	1,133,000	1,121,000	1,426,000
Long Lease Property	109,000	104,000	49,000
Net Current Assets	35,000	32,000	4,000
Over 15 Year Gilts	2,000	54,000	103,000
Private Debt	111,000	84,000	52,000
Property	84,000	79,000	80,000
Risk Sharing	168,000	135,000	116,000
Secured Income	259,000	236,000	140,000
Opportunistic Illiquid Credit	121,000	104,000	-
Liquid Credit	81,000	112,000	-
High Yield	123,000	-	-
Opportunistic Credit	129,000	-	-
Cash	2,000	-	-
Total assets	<u>4,710,000</u>	<u>4,255,000</u>	<u>4,008,000</u>

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

Key Assumptions

	2021	2020	2019
Discount Rate	2.2%	2.4%	2.3%
Inflation (RPI)	3.3%	2.6%	3.3%
Inflation (CPI)	2.9%	1.6%	2.3%
Salary Growth	3.9%	2.6%	3.3%

Allowance for commutation of pension for cash at retirement 75% of maximum allowance

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>

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

20. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme Defined Benefit

Pension Fund Defined Benefit Scheme, the assets of which are held in a separate trustee administered fund.

The administering authority has responsibility for the management of the Fund. As most of the Fund's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the fund's assets. In order to mitigate this risk, the Fund holds a diverse investment portfolio with a range of investment managers.

The following figures are prepared by the Actuaries in accordance with their understanding of FRS 102 and Guidance Note 36: Accounting for Retirement Benefits under FRS 102 issued by the Institute and Faculty of Actuaries.

Principal Actuarial Assumptions

Assumptions as at 31 March	2021 %p.a.	2020 %p.a.	2019 %p.a.
Pension Increase Rate (CPI)	2.85	1.90	2.50
Salary Increase Rate	3.55	3.00	3.70
Discount Rate	2.00	2.30	2.40

Mortality Rates

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2016 model with an allowance for smoothing of recent mortality experience and long term rates of 1.5% p.a. for females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males (Years)	Females (Years)
Current Pensioners	19.8	22.6
Future Pensioners	21.2	24.7

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

20. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme Defined Benefit Scheme (continued)

Fair value of scheme assets by category

	2021	2020
	%	%
Equities	66%	59%
Gilts	23%	26%
Bonds	9%	13%
Property	2%	2%
	<u>100%</u>	<u>100%</u>

Net Pension Liability

	2021	2020	2019
	£	£	£
Fair value of employer's assets	6,606,000	5,153,000	5,284,000
Present value of scheme liabilities	(6,795,000)	(5,499,000)	(6,047,000)
	<u>(189,000)</u>	<u>(346,000)</u>	<u>(763,000)</u>

Reconciliation of fair value of employer assets

	2021	2020	2019
	£	£	£
Opening fair value of employer assets	5,153,000	5,284,000	4,649,000
Expected return on assets	120,000	128,000	122,000
Contributions by members	31,000	31,000	29,000
Contributions by the employer	145,000	139,000	117,000
Actuarial gains / (losses)	1,184,000	(354,000)	37,000
Other experience	53,000	-	-
Estimated benefits paid	(80,000)	(75,000)	(65,000)
	<u>6,606,000</u>	<u>5,153,000</u>	<u>4,889,000</u>

Reconciliation of defined benefit obligations

	2021	2020	2019
	£	£	£
Opening defined benefit obligation	5,499,000	6,047,000	5,941,000
Current service cost	173,000	293,000	187,000
Interest cost	128,000	149,000	156,000
Contributions by members	31,000	31,000	29,000
Actuarial gains / (losses)	1,044,000	(905,000)	(960,000)
Estimated benefits paid	(80,000)	(75,000)	(65,000)
	<u>6,795,000</u>	<u>5,540,000</u>	<u>5,288,000</u>

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

20. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme Defined Benefit Scheme (continued)

Analysis of amount charged to the statement of comprehensive income

	2021	2020	2019
	£	£	£
Charged to operating costs:			
Service cost	173,000	293,000	187,000
Past service cost	-	-	-
	<u>173,000</u>	<u>293,000</u>	<u>187,000</u>
	173,000	293,000	187,000
Charged to other finance costs / (income)			
Expected return on employer assets	(120,000)	(128,000)	(122,000)
Interest on pension scheme liabilities	128,000	149,000	156,000
	<u>8,000</u>	<u>21,000</u>	<u>34,000</u>
	128,000	149,000	156,000
Net charge to the statement of comprehensive income	<u>181,000</u>	<u>314,000</u>	<u>221,000</u>

	2021	2020	2019
	£	£	£
Actuarial gain/(loss) recognised in year	193,000	551,000	551,000
Cumulative actuarial gains	<u>1,976,000</u>	<u>1,783,000</u>	<u>1,232,000</u>

Analysis of projected amount to be charged to the statement of comprehensive income for the year ended 31 March 2022

	£	% of pay
Projected current service cost	226,000	47%
Interest on obligation	137,000	29%
Expected return on plan assets	(133,000)	-28%
	<u>230,000</u>	<u>-48%</u>

Contributions made by the Association for the year ended 31 March 2022 are estimated to be approximately £155,000.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

21. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
Capital grants			
At 1 April 2020	59,172,129	78,615	59,250,744
Additions in the year	4,214,955	-	4,214,955
Eliminated on disposal	(74,596)	-	(74,596)
Amortisation	(1,791,644)	-	(1,791,644)
HAG on Shared Equity Properties - Transfe	-	-	-
At 31 March 2021	<u>61,520,844</u>	<u>78,615</u>	<u>61,599,459</u>
Total at 31 March 2021	<u>61,520,844</u>	<u>78,615</u>	<u>61,599,459</u>
Total at 31 March 2020	<u>59,172,129</u>	<u>78,615</u>	<u>59,250,744</u>

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

	2021 £	2020 £
Amounts due within one year	1,791,644	1,742,791
Amounts due in more than one year	59,807,815	57,507,953
	<u>61,599,459</u>	<u>59,250,744</u>

22. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2021 £	2020 £
At 1 April	208	203
Issued in year	1	10
Cancelled in year	(7)	(5)
At 31 March	<u>202</u>	<u>208</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.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

23. CASH FLOWS

Reconciliation of net cash flow to movement in net funds

	£	2021 £	£	2020 £
Increase / (decrease) in cash	176,888		(4,742,048)	
Change in liquid resources	-		-	
Cashflow from change in net debt	183,878		1,007,927	
		360,765		(3,734,121)
Movement in net funds in the year		3,322,286		7,056,407
Net funds at 1 April		<u>3,683,051</u>		<u>3,322,286</u>
Net funds at 31 March				

	At 01 April 2020 £	Cashflows £	Other Changes £	At 31 March 2021 £
Cash and cash equivalents	5,105,604	176,888	-	5,282,492
Bank overdrafts	-	-	-	-
	<u>5,105,604</u>	<u>176,888</u>	<u>-</u>	<u>5,282,492</u>
Liquid resources	-	-	-	-
Debt: Due within one year	(175,500)	183,878	(193,005)	(184,627)
Due after more than one year	(1,607,818)	-	193,005	(1,414,813)
Net funds	<u>3,322,286</u>	<u>360,765</u>	<u>-</u>	<u>3,683,051</u>

24. CAPITAL COMMITMENTS

	2021 £	2020 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	25,009,715	6,620,850

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

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. COMMITMENTS UNDER OPERATING LEASES

	2021	2020
	£	£
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
Other		
Expiring in the next year	17,402	19,133
Expiring later than one year and not later than five years	<u>18,326</u>	<u>35,728</u>

26. 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 135 Fifty Pitches Road, Glasgow, G51 4EB, .

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in South Glasgow, Cardonald, Pollokshields, Halfway, Govanhill, Penilee.

27. EXCEPTIONAL ITEM

	2021	2020
	£	£
Halfway Park (Income)/Expenditure	<u>(129,424)</u>	<u>663,305</u>

This expenditure relates to an initiative undertaken by the Association, in partnership with the Scottish National Heritage (SHN) and Glasgow City Council (GCC), to develop green space in to a community park. While the Association, SHN and GCC were the main funders of the project, a number of other bodies also provided grant funding.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2021 No.	2020 No.
General needs	2,263	2,302
Supported housing	64	64
Shared ownership	42	41
	<u>2,369</u>	<u>2,407</u>

29. RELATED PARTY TRANSACTIONS

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

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 (and their close family) were as follows:

	2021 £	2020 £
Rent received from tenants on the Management Committee and their close family members	<u>16,568</u>	<u>16,263</u>
Factoring charges received from factored owners on the Management Committee and their close family members	<u>2,869</u>	<u>2,528</u>

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £496 (2020 - £526).

At the year end total factoring arrears owed by owner occupiers on the Management Committee (and their close family) were £450 (2020 - £135).

Members of the Management Committee who are tenants	3	3
Members of the Management Committee who are owner occupiers	5	7
Members of the Management Committee who are local councillors	1	1