



Alexander Sloan
Accountants and Business Advisers

Thenue Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2021

Registered Social Landlord No. HAL193

FCA Reference No. 1933R(S)

Scottish Charity No. SC032782

THENUE HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Contents

	Page
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

THENUE HOUSING ASSOCIATION LIMITED

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

BOARD OF MANAGEMENT

Derek Quinn	Chairperson
Pauline Casey	Joint Vice Chairperson
Maureen Dowden	Joint Vice Chairperson
George Alexander	Resigned 29 September 2020
Jeanette Goode	Resigned 9 February 2021
Abdifatah Hayde	
Robert Kelly	Appointed 9 February 2021
David Keltie-Armstrong	
Nicola McCurdy	Resigned 29 September 2020
Howard Mole	
Florence O'Hale	
William Redmond	Resigned 27 August 2020
Owen Stewart	
Elizabeth Williamson	Appointed 22 September 2020

EXECUTIVE OFFICERS

Charles Turner
John Russell
Eleanor Derbyshire
Gary Naylor

REGISTERED OFFICE

423 London Road
Glasgow
G40 1AG

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

Wylie & Bisset LLP
168 Bath Street
Glasgow
G2 4TP

BANKERS

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

SOLICITORS

TC Young
7 West George Street
Glasgow G2 1BA

THENUE HOUSING ASSOCIATION LIMITED

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. 1933R(S)), the Scottish Housing Regulator as a registered social landlord (No. HAL193) under the Housing (Scotland) Act 2010 and as is a registered Scottish Charity with the charity number SC032782.

Principal Activities

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

Review of Business and Future Developments

For the last 42 years the association's aim is always to work together to create better homes and stronger communities. That means that Thenue is committed to developing, managing, and maintaining a range of affordable quality housing in sustainable communities. Working with partners and people, the aim is to improve all services and grow deep community roots. This past year the association, driven and underpinned by our values of passion, connection, respect, and connection, have done all of this and more, caused by the unprecedented world-wide uncertainty created by the corona virus pandemic. A full year like no other. A year which, despite the front door of the office remaining closed for every one of those 365 days, saw the whole organisation step beyond our comfort zone and be there for our customers when they needed us most, in different and imaginative ways throughout the whole duration. A duration being the length of time that something lasts, and in the case of the covid-19 virus, it seems that this time might be infinite, so many of the 'old' ways of working look like being a thing of the past. Even as this text forms part of the 2020/21 annual accounts, the association has still not had an opportunity to open the front door of the office to be able to welcome customers back for face-to-face interactions.

However, despite everything that the association and our communities have had to endure over the course of the whole year, the only thing that has not worked and remained closed, is that front door. Every other single part of the organisation has worked remarkably well and adapted to new ways of working, connection and communicating both internally and externally.

Over the recent years the association has invested heavily in technology, which meant that the emergency situation brought on by the pandemic did not cause us either a panic or a crisis. It meant that as far as the staff were concerned, work was very much something they did, rather than a place to do it. The vast majority of the work completed during the year was co-ordinated by staff working from home. But not all of that resultant work was actually completed at home; it was completed in every one of the associations 2,993 fully owned properties. That number was just 3 more than the year end figure last year, and would have been more had the effects of the pandemic not hit us. The year saw the development of 138 properties come to an immediate and abrupt halt. As the year progressed, work to develop 77 houses and flats at Abercromby Street re-commenced, as did the restoration and renovation work at the 120-year-old sandstone tenement known as Craignestock Mansions. In addition, the modernisation work at 25 flats overlooking Glasgow Green also re-commenced, alas however our development of 27 retirement flats at Landressy Place stalled severely. The financial effects of the pandemic caused our contractor to enter liquidation, and that project was further compromised by an arson attack, and even beyond the year end no recovery work was possible at this site.

THENUE HOUSING ASSOCIATION LIMITED

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

Review of Business and Future Developments (Contd.)

Our plans to build new housing at both at Blackhill and Dalmarnock remain very much in focus, but neither have definite site start dates at the moment.

The abruptness of the pandemic hitting the association had significant financial consequences, both negatively and positively. The association generated an operating surplus of £4.81m compared with the expected operating surplus of £4.03m. This represented an improvement of £0.78m and after accounting for non-operating items, the overall surplus in the 12 months amounted to £3.10m which is £1.02m higher than assumed in the budget. The main factors underpinning the improvement against the budget were lower than anticipated repair costs of £505k, lower than anticipated office and overhead costs of £198k, lower than expected level of bad debt provision of £146k and savings in loan interest and charges of £156k. An unexpected sale of a detached villa on the south side of the city yielded a gain of £101k.

The effects of the covid pandemic compromised access to resident's property, the requirements of tradesmen to have to concentrate on only emergency situations for a large part of the year and the government's requirements to have to cease certain categories of work during the year. However, even throughout the height of those restrictions the association continued to address repair, maintenance and component replacement issues spending £3.3m on revenue repair costs and a further £0.56m in capital improvements.

180 properties were re-let during the year, with current tenants taking 13% of them, 24% being allocated to applicants from the general 'waiting' list, 58% being offered to homeless families and referrals from other organisations making up the balance of 5%. The pandemic situation affected the turnaround time in between tenancies, because of the necessity for 'misting', ventilation, single trade operatives on site only and the consequential 72-hour fallow period, so the average void period during the year was 29 days, incurring some £137k of lost rent as a result.

For most of the year we had to restrict reactive repairs to emergencies only, so of the 8,500 repairs that were completed during the year, some 46% fell into this category, (usually closer to 24%). More than 94% of all repairs were completed right first time and overall, 95% of tenants remained satisfied with the reactive repairs service. Tenant satisfaction overall, measured independently during the year remained high at 95%. 70% of tenants were satisfied with opportunities to participate in some decision making, so there remains work still to be done with the remaining 30%.

The pandemic meant that delays to most of the associations planned or cyclical work became unavoidable, and the range of work affected this way included refurbishment of some hitherto empty properties, kitchen and boiler replacements in Blackhill, window replacements in Netherholm and Dalmarnock, dispersed alarm installations in retirement properties and the completion of work to upgrade smoke, heat & carbon monoxide detectors to meet legislative compliance. By the end of the year all this work had resumed meaning all programmes of work, both internally and externally was back on track.

The health and safety of all people associated with Thenue remained paramount throughout the year. The aspiration to complete 100% gas safety inspections was compromised because of some vulnerable tenants having to 'shield' to protect themselves, resulting in 99.8% completed in time at the year end. In numbers at the year end, this equated to 5 properties, but during the year it was as high as 62. Two minor staff workplace accidents took place, but the controls and changes to working procedures helped achieve overall staff attendance at 98.1%. Staff turnover at 15% was the consequence of funding for two Wider Role projects, (clic digital inclusion and Choices for Change), coming to an end.

THENUE HOUSING ASSOCIATION LIMITED

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

Review of Business and Future Developments (Contd.)

252 of the 256 anti-social complaints referred to the association were resolved within locally agreed timescales and every one of the 45 general service complaints was also resolved within target times of either 5 or 20 days, depending on the nature of that complaint. Not one complaint was referred unresolved to the Ombudsman.

In times of austerity, the pandemic situation compounded with the ongoing roll-out of Universal Credit, collecting 100% of our rental income was always going to be a major challenge. However, given the tricky circumstances and the financial effects of the corona virus pandemic on tenants throughout the year, that challenge proved impossible to achieve. Governments introduced temporary legislation and provisions to assist all citizens during the pandemic, and such measures included a moratorium on evictions as a result of financial difficulties and a £20 weekly rise in Universal Credit. Only one eviction took place at Thenue, and the cause of that was the distress of others being caused by the tenant. Financially, 98%* of the £13.9m* of rental income was collected, and gross rent arrears sat at £730k* at the year end. We were pleased however that current tenant arrears at 2.4% exceeded our annual target of 2.7%. (* figures here based on the Annual Charter Return definitions)

Overall, an operating surplus of £4.81 million was generated in the year. After accounting for non-operating items, the overall surplus in the twelve months amounted to £3.1 million. Loans with three lenders, (Royal Bank of Scotland, Nationwide Building Society and The Housing Finance Corporation), when combined, totalled some £37.2million at the end of the year. Consistently throughout the year the association has satisfied all relevant financial covenants.

Overall, given everything that the association had to react and respond to, the year was a very satisfactory one. Having cash reserves of £6.7million at the year-end was very welcome, and this will help deal with part of the backlog of work carried over from last year, as well as being able to fund future development projects, ongoing major repairs and some of the new energy efficiency requirements associated with the Energy Efficiency Standard for Social Housing post 2020, (known as EESSH2). Throughout the past year and well into next year the association's Board of Management closely monitor risk, finances, key performance indicators and value for money. The Board is guided by the seven standards of Governance and Financial Management for Registered Social Landlords and also supports the staff team to deliver housing related services to all the association's customers. For most of the year, most of the staff have been working remotely, using either IT or appropriate PPE whilst carrying out their daily tasks. Living with the effects of the covid virus will mean that much work will continue to be carried out this way going forward, but with some optimism, the association looks forward to the re-introduction of the one thing that has been missing for the entire year – and that being able to open the association's front door and be able to welcome customers face-to-face, once again, even if that is behind a face covering.

THENUE HOUSING ASSOCIATION LIMITED

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.

THENUE HOUSING ASSOCIATION LIMITED

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 £Nil (2020 - £Nil).

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.

THENUE HOUSING ASSOCIATION LIMITED

REPORT OF THE Board of Management FOR THE YEAR ENDED 31 MARCH 2021

By order of the Board of Management



Charles Turner
Secretary
17 August 2021

THENUE HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE MEMBERS OF THENUE 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.

Alexander Sloan

ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW
17 August 2021


Alexander Sloan
Accountants and Business Advisers

THENUE HOUSING ASSOCIATION LIMITED

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

Opinion

We have audited the financial statements of Thenue 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 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.

THENUE HOUSING ASSOCIATION LIMITED

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

Other Information (Contd.)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board of Management

As explained more fully in the statement of Board of Management's responsibilities as set out on page 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:

THENUE HOUSING ASSOCIATION LIMITED

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

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

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

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

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

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

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

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

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

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

THENUE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THENUE 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

ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW
17 August 2021



THENUE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Revenue	2		17,808,692		17,096,531
Operating costs	2		12,995,194		13,594,215
OPERATING SURPLUS			4,813,498		3,502,316
Gain on sale of housing stock	7	101,299		318,109	
Release of negative goodwill	14	27,486		27,486	
Interest receivable and other income		5,985		29,744	
Interest payable and similar charges	8	(1,843,917)		(1,698,906)	
Other Finance income/(charges)	11	(4,384)		(66,912)	
			(1,713,531)		(1,390,479)
SURPLUS FOR THE YEAR			3,099,967		2,111,837
Other comprehensive income					
Actuarial gains/(losses) on defined benefit pension plan	20		(2,267,000)		2,362,000
TOTAL COMPREHENSIVE INCOME			832,967		4,473,837

The results relate wholly to continuing activities.

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

THENUE HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
NON-CURRENT ASSETS					
Housing properties - depreciated cost	12		153,598,119		151,726,136
Other tangible assets	12		4,376,072		4,518,509
Investments	13		100		100
			<u>157,974,291</u>		<u>156,244,745</u>
Negative goodwill	14		(624,385)		(651,871)
CURRENT ASSETS					
Receivables	15	1,688,096		1,378,994	
Cash and cash equivalents	16	6,712,515		4,586,549	
		<u>8,400,611</u>		<u>5,965,543</u>	
CREDITORS: Amounts falling due within one year	17	(5,368,784)		(4,325,789)	
NET CURRENT ASSETS			<u>3,031,827</u>		<u>1,639,754</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>160,381,733</u>		<u>157,232,628</u>
CREDITORS: Amounts falling due after more than one year	18		(35,011,137)		(37,341,645)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	20	(2,143,000)		(416,000)	
Other Provision	28	(310,074)		(311,367)	
			<u>(2,453,074)</u>		<u>(727,367)</u>
DEFERRED INCOME					
Social housing grants	21	(91,853,729)		(88,752,751)	
Other grants	21	(3,028,254)		(3,208,247)	
		<u>(94,881,983)</u>		<u>(91,960,998)</u>	
NET ASSETS			<u>28,035,539</u>		<u>27,202,618</u>
EQUITY					
Share capital	22		97		143
Revenue reserves			30,178,442		27,618,475
Pension reserves	20		(2,143,000)		(416,000)
			<u>28,035,539</u>		<u>27,202,618</u>

The financial statements were approved by the Board of Management and authorised for issue and signed on their behalf on 17 August 2021.


Committee Member


Pauline Casey
Committee Member


Secretary

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

THENUE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021	2020
		£	£
Surplus for the Year		3,099,967	2,111,837
<i>Adjustments for non-cash items:</i>			
Depreciation of tangible fixed assets	12	5,031,170	4,591,006
Amortisation of capital grants	21	(2,499,841)	(2,379,822)
Increase/decrease in provisions		(1,293)	(42,945)
Gain on disposal of tangible fixed assets		-	(318,109)
Release of negative goodwill	14	(27,486)	(27,486)
Non-cash adjustments to pension provisions		(540,000)	(364,000)
Share capital written off	22	(50)	(4)
		<u>1,962,500</u>	<u>1,458,640</u>
Interest receivable		(5,985)	(29,744)
Interest payable	8	1,843,917	1,698,906
		<u>1,837,932</u>	<u>1,669,162</u>
Operating cash flows before movements in working capital		6,900,399	5,239,639
Change in debtors		(202,388)	27,487
Change in creditors		(123,089)	250,735
		<u>(325,477)</u>	<u>278,222</u>
Net cash inflow from operating activities		6,574,922	5,517,861
Investing Activities			
Acquisition and construction of properties		(6,931,828)	(8,530,719)
Purchase of other fixed assets		(19,076)	(36,620)
Social housing grant received		5,441,675	4,930,675
Social housing grant repaid		12,739	(1,297,792)
Other grants received		-	-
Other grants repaid		(80,312)	(6,353)
Proceeds on disposal of housing properties		190,188	1,793,805
		<u>190,188</u>	<u>1,793,805</u>
Net cash outflow from investing activities		(1,386,614)	(3,147,004)
Financing Activities			
Loan Advances Received		-	300,000
Interest received on cash and cash equivalents		5,985	29,744
Interest paid on loans		(1,843,917)	(1,698,906)
Loan principal repayments		(1,224,414)	(687,323)
Share capital issued	22	4	2
		<u>4</u>	<u>2</u>
Net cash outflow from financing activities		(3,062,342)	(2,056,483)
Increase in cash	23	2,125,966	314,374
Opening cash & cash equivalents		4,586,549	4,272,175
Closing cash & cash equivalents		<u>6,712,515</u>	<u>4,586,549</u>
Cash and cash equivalents as at 31 March			
Cash	23	6,712,515	4,586,549
		<u>6,712,515</u>	<u>4,586,549</u>

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

THENUE 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	145	(3,142,000)	25,870,638	22,728,783
Issue of Shares	2	-	-	2
Cancellation of Shares	(4)	-	-	(4)
Other comprehensive income	-	2,362,000	-	2,362,000
Other movements	-	364,000	(364,000)	-
Surplus for the year	-	-	2,111,837	2,111,837
Balance as at 31 March 2020	143	(416,000)	27,618,475	27,202,618
Balance as at 1 April 2020	143	(416,000)	27,618,475	27,202,618
Issue of Shares	4	-	-	4
Cancellation of Shares	(50)	-	-	(50)
Other comprehensive income	-	(2,267,000)	-	(2,267,000)
Other movements	-	540,000	(540,000)	-
Surplus for the year	-	-	3,099,967	3,099,967
Balance as at 31 March 2021	97	(2,143,000)	30,178,442	28,035,539

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

THENUE 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 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 participates in the Scottish Housing Associations Defined Contribution scheme. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

Going Concern

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

THENUE 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>
Bathrooms	Over 30 years
Boilers	Over 15 years
Cladding	Over 20 years
Doors	Over 30 years
Heating System	Over 30 years
Kitchens	Over 20 years
Structure	Over 50 years
Windows	Over 30 years
Wiring	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>
Commercial Premises	Over 30-50 years
Furniture and Fittings	Over 5 years
Computer & Office Equipment	Over 5 years
Office Premises, Community & Learning Centres:	
Bathrooms	Over 30 years
Boilers	Over 15 years
Cladding	Over 20 years
Doors	Over 30 years
Heating System	Over 30 years
Kitchens	Over 20 years
Structure	Over 50 years
Windows	Over 30 years
Wiring	Over 30 years

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.

THENUE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Sales Of Housing Properties

First tranche Shared Ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the Statement of Comprehensive Income.

Disposals 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 Scottish Charity and is not liable to taxation on its charitable activities.

Leases

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

Works to Existing Properties

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

Capitalisation Of Development Overheads

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

Borrowing Costs

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

Property Development Cost

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

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

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.

Housing Property Managed By Agents

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

VAT

The Association 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.

THENUE HOUSING ASSOCIATION LIMITED

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

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Provisions

In accordance with Financial Reporting Standard 102 provision is made for the following items in the accounts: The Association receives service charge income from supported accommodation tenants in relation to the costs of furniture and flooring replacement. The balance of unspent service charge income relating to furniture and flooring is included as a liability where amounts are repayable or contributions reduced.

Basis of Consolidation

The financial statements for Thenue Housing Association Limited present information about it as an individual undertaking and not about the group.

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.

THENUE 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 its 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 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.

THENUE 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	2021			2020		
		Turnover £	Operating costs £	Operating surplus / (deficit) £	Turnover £	Operating costs £	Operating surplus / (deficit) £
Affordable letting activities	3	17,055,497	12,268,246	4,787,251	16,447,314	12,901,596	3,545,718
Other Activities	4	753,195	726,948	26,247	649,217	692,619	(43,402)
Total		17,808,692	12,995,194	4,813,498	17,096,531	13,594,215	3,502,316

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	13,489,550	636,800	96,512	14,222,862	13,716,001
Service charges receivable	354,907	115,635	-	470,542	439,973
Gross income from rent and service charges	13,844,457	752,435	96,512	14,693,404	14,155,974
Less: Rent losses from voids	105,642	32,106	-	137,748	88,483
Income from rents and service charges	13,738,815	720,329	96,512	14,555,656	14,067,491
Grants released from deferred income	2,308,959	186,288	4,594	2,499,841	2,379,823
Total turnover from affordable letting activities	16,047,774	906,617	101,106	17,055,497	16,447,314
Expenditure on affordable letting activities					
Management and maintenance administration costs	3,277,789	180,818	45,077	3,503,684	3,730,619
Service costs	355,238	78,066	-	433,304	471,664
Planned and cyclical maintenance, including major repairs	1,356,403	81,489	-	1,437,892	2,172,102
Reactive maintenance costs	1,808,408	70,402	-	1,878,810	1,958,770
Bad Debts - rents and service charges	76,375	-	-	76,375	100,156
Depreciation of affordable let properties	4,406,201	225,016	17,964	4,649,181	4,468,285
Impairment of affordable letting activities	289,000	-	-	289,000	-
Operating costs of affordable letting activities	11,569,414	635,791	63,041	12,268,246	12,901,596
Operating surplus on affordable letting activities	4,478,360	270,826	38,065	4,787,251	3,545,718
2020	3,276,454	252,856	16,408		

THENUE 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	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2021	Operating surplus / (deficit) 2020
	£	£	£	£	£	£	£	£
Wider role activities	136,456	183,541	-	319,997	-	335,144	(15,147)	(33,055)
Factoring	-	-	250,965	250,965	2,843	243,298	4,824	(16,730)
Other activities	-	-	182,233	182,233	-	122,983	59,250	28,854
Development Administration	-	-	-	-	-	22,680	(22,680)	(22,471)
Total From Other Activities	136,456	183,541	433,198	753,195	2,843	724,105	26,247	(43,402)
2020	38,272	206,763	404,182	649,217	3,425	689,194	(43,402)	

THENUE 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)	215,155	144,310
Pension contributions made on behalf of Officers with emoluments greater than £60,000	28,705	18,039
Emoluments payable to the Chief Executive (excluding pension contributions)	83,662	80,955
Pension contributions paid on behalf of the Chief Executive	12,338	10,119
Total emoluments payable to the Chief Executive	96,000	91,074
Total emoluments paid to key management personnel (including social security costs)	324,162	285,899

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	-	-
£70,001 to £80,000	2	1
£80,001 to £90,000	-	-
£90,001 to £100,000	1	1

6. EMPLOYEE INFORMATION

	2021	2020
	No.	No.
Average monthly number of full time equivalent persons employed during the year	62	68
Average total number of employees employed during the year	72	76
Staff costs were:	£	£
Wages and salaries	2,487,265	2,454,189
Social Security costs	237,475	230,618
Pension costs	258,427	346,694
Temporary, agency and seconded staff	-	11,274
	2,983,167	3,042,775

Included in Pension Costs of £258,427 is an amount of £2,356 (2020 - £107,200) in respect of service charges arising as a result of the change in the accounting for the Scottish Housing Association Pension Scheme (SHAPS).

THENUE 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	243,497	849,219
Cost of sales	142,198	531,110
Gain on sale of housing stock	<u>101,299</u>	<u>318,109</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£	£
On bank loans and overdrafts	1,843,917	1,723,772
Less: Interest Capitalised on developments	-	(24,866)
	<u>1,843,917</u>	<u>1,698,906</u>

The capitalisation rate of capitalised development period interest was 0% (2020 - 1.94%)

9. SURPLUS FOR THE YEAR

	2021	2020
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	5,031,170	4,591,006
Auditors' remuneration - audit services	13,104	11,378
Operating lease rentals - land & buildings	12,313	12,313
Operating lease rentals - other	11,702	12,758
(Gain) on sale of other non-current assets	<u>(101,299)</u>	<u>(318,109)</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
	£	£
Unwinding of Discounted Pension Liabilities	(384)	88
Net interest on pension obligations	(4,000)	(67,000)
	<u>(4,384)</u>	<u>(66,912)</u>

THENUE 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 £
COST				
At 1 April 2020	193,684,445	4,814,047	1,042,055	199,540,547
Additions	1,430,257	5,501,571	-	6,931,828
Disposals	(284,893)	-	(63,271)	(348,164)
At 31 March 2021	<u>194,829,809</u>	<u>10,315,618</u>	<u>978,784</u>	<u>206,124,211</u>
DEPRECIATION				
At 1 April 2020	47,452,596	-	361,815	47,814,411
Charge for Year	4,562,693	289,000	17,964	4,869,657
Disposals	(137,106)	-	(20,870)	(157,976)
At 31 March 2021	<u>51,878,183</u>	<u>289,000</u>	<u>358,909</u>	<u>52,526,092</u>
NET BOOK VALUE				
At 31 March 2021	<u>142,951,626</u>	<u>10,026,618</u>	<u>619,875</u>	<u>153,598,119</u>
At 31 March 2020	<u>146,231,849</u>	<u>4,814,047</u>	<u>680,240</u>	<u>151,726,136</u>

Expenditure on Existing Properties	2021		2020	
	<i>Component replacement</i> £	<i>Improvement</i> £	<i>Component replacement</i> £	<i>Improvement</i> £
Amounts capitalised	563,299	866,958	1,371,604	1,020,433
Amounts charged to the statement of comprehensive income	<u>3,316,702</u>	<u>-</u>	<u>4,130,872</u>	<u>-</u>

All land and housing properties are heritable.

Additions to housing properties include capitalised development administration costs of £151,202 (2020-£149,809)

Impairment Charges

An impairment review was carried out on housing land and buildings during the year. As a result of this the following impairment charges have been recognised and are included within depreciation charges.

	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
Impairment Charge	<u>-</u>	<u>289,000</u>	<u>-</u>	<u>289,000</u>

This impairment charge has resulted in reduction of surplus and the net Book value of housing properties by the amount of the charge.

The Association's lenders have standard securities over housing property with a carry value of £55,310,836 (2020 - £57,054,617)

THENUE 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 £	Commercial Property £	Community & Learning Centres £	Total £
COST					
At 1 April 2020	3,205,162	230,777	399,397	1,585,190	5,420,526
Additions	-	19,076	-	-	19,076
At 31 March 2021	<u>3,205,162</u>	<u>249,853</u>	<u>399,397</u>	<u>1,585,190</u>	<u>5,439,602</u>
DEPRECIATION					
At 1 April 2020	546,486	134,695	70,668	150,168	902,017
Charge for year	68,475	44,787	9,080	39,171	161,513
At 31 March 2021	<u>614,961</u>	<u>179,482</u>	<u>79,748</u>	<u>189,339</u>	<u>1,063,530</u>
NET BOOK VALUE					
At 31 March 2021	<u>2,590,201</u>	<u>70,371</u>	<u>319,649</u>	<u>1,395,851</u>	<u>4,376,072</u>
At 31 March 2020	<u>2,658,676</u>	<u>96,082</u>	<u>328,729</u>	<u>1,435,022</u>	<u>4,518,509</u>

13. FIXED ASSET INVESTMENTS

	2021 £	2020 £
Subsidiary undertakings	100	100
	<u>100</u>	<u>100</u>

Subsidiary Undertakings

Thenue Housing Association Limited has the following wholly owned subsidiary undertakings. The registered office of the subsidiaries is 423 London Road, Glasgow, G40 1AG.

	2021		2020	
	<i>Reserves</i> £	<i>Profit / (Loss)</i> £	<i>Reserves</i> £	<i>Profit / (Loss)</i> £
Thenue Communities	244,285	5,689	238,596	48,624
Thenue Housing Services Limited	50,043	(741)	50,784	(120)
Thenue Trust	<u>6,398</u>	<u>-</u>	<u>6,398</u>	<u>400</u>

14. NEGATIVE GOODWILL

	2021 £	2020 £
At 1 April 2020	651,871	679,357
Released during the year to the statement of comprehensive income	(27,486)	(27,486)
At 31 March 2021	<u>624,385</u>	<u>651,871</u>

THENUE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. RECEIVABLES

	2021	2020
	£	£
Gross arrears of rent and service charges	697,292	600,494
Less: Provision for doubtful debts	(408,740)	(378,020)
<i>Net arrears of rent and service charges</i>	288,552	222,474
Social housing grant receivable	678,676	571,962
Other receivables	715,829	582,628
Amounts due from group undertakings	5,039	1,930
	<u>1,688,096</u>	<u>1,378,994</u>

16. CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Cash at bank and in hand	6,712,515	4,586,549
	<u>6,712,515</u>	<u>4,586,549</u>

17. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans	2,218,201	1,113,322
Trade payables	1,267,662	1,284,940
Rent received in advance	900,497	857,989
Social housing grant in advance	593,794	533,804
Other taxation and social security	13,709	6,991
Liability for past service contributions	1,599	1,552
Other payables	103,894	119,947
Accruals and deferred income	269,428	407,244
	<u>5,368,784</u>	<u>4,325,789</u>

THENUE HOUSING ASSOCIATION LIMITED

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

18. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans	35,006,417	37,335,710
Liability for past service contributions	4,720	5,935
	<u>35,011,137</u>	<u>37,341,645</u>

19. DEBT ANALYSIS - BORROWINGS

	2021	2020
	£	£
Bank Loans		
Amounts due within one year	2,218,201	1,113,322
Amounts due in one year or more but less than two years	1,504,312	2,219,840
Amounts due in two years or more but less than five years	4,920,764	4,706,421
Amounts due in more than five years	28,581,341	30,409,449
	<u>37,224,618</u>	<u>38,449,032</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 Variable or (Year) Fixed
Nationwide	15	1.5%	2029 Fixed
Nationwide	17	1.6%	2031 Fixed
Nationwide	16	1.6%	2033 Fixed
Nationwide	32	1.5%	2035 Fixed
Nationwide	7	1.6%	2030 Fixed
Nationwide	11	1.5%	2028 Fixed
Nationwide	34	1.5%	2029 Fixed
Nationwide	51	1.7%	2034 Fixed
Nationwide	44	1.6%	2031 Fixed
Nationwide	18	1.6%	2031 Fixed
Royal Bank of Scotland	63	5.5%	2035 Fixed
Royal Bank of Scotland	51	5.5%	2037 Fixed
Royal Bank of Scotland	220	6.3%	2035 Fixed
Royal Bank of Scotland	110	5.9%	2035 Fixed
Royal Bank of Scotland	223	1.7%	2035 Variable
Royal Bank of Scotland	216	1.9%	2024 Variable
Royal Bank of Scotland	196	1.4%	2025 Variable
THFC	153	2.1%	2031 Fixed

All the Association's bank borrowings are repayable on a monthly or quarterly basis with the principal either being amortised over the term of the loans or repaid at the end of the loan.

THENUE 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

Thenue 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 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.

In 2019 the Pensions Trust, the administrator of the Scheme developed a method of determining the share of assets and liabilities for individual employers. This method was adopted by the Association in 2019 and resulted in an adjustment to the opening pension liability recognised in the statement of financial position of £686,908

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

	2021	2020
	£	£
Fair value of plan assets	20,597,000	18,223,000
Present value of defined benefit obligation	22,740,000	18,639,000
Surplus / (deficit) in plan	(2,143,000)	(416,000)
Unrecognised surplus	-	-
Defined benefit asset / (liability) to be recognised	(2,143,000)	(416,000)

THENUE 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	18,639,000	20,529,000
Current service cost	183,000	253,000
Expenses	18,000	16,000
Interest expense	443,000	473,000
Contributions by plan participants	109,000	112,000
Actuarial losses (gains) due to scheme experience	(8,000)	(157,000)
Actuarial losses (gains) due to changes in demographic assumptions	-	(121,000)
Actuarial losses (gains) due to changes in financial assumptions	3,699,000	(2,074,000)
Benefits paid and expenses	(343,000)	(392,000)
Defined benefit obligation at the end of period	<u>22,740,000</u>	<u>18,639,000</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	18,223,000	17,387,000
Interest income	439,000	406,000
Experience on plan assets (excluding amounts included in interest income) · gain (loss)	1,424,000	10,000
Contributions by the employer	745,000	700,000
Contributions by plan participants	109,000	112,000
Benefits paid and expenses	(343,000)	(392,000)
Fair value of plan assets at the end of period	<u>20,597,000</u>	<u>18,223,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £1,863,000

THENUE 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	183,000	253,000
Expenses	18,000	16,000
Net interest expense	4,000	67,000
	<u> </u>	<u> </u>
Defined benefit costs recognised in statement of comprehensive income	205,000	336,000
	<u> </u>	<u> </u>

Defined benefit costs recognised in the other comprehensive income

	2021	2020
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	1,424,000	10,000
Experience gains and losses arising on plan liabilities - gain /(loss)	8,000	157,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	-	121,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	(3,699,000)	2,074,000
	<u> </u>	<u> </u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	(2,267,000)	2,362,000
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain / (loss)	-	-
	<u> </u>	<u> </u>
Total amount recognised in other comprehensive income - gain/ (loss)	(2,267,000)	2,362,000
	<u> </u>	<u> </u>

THENUE 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	1,015,000	1,119,000	1,473,000
Alternative Risk Premia	826,000	1,461,000	971,000
Corporate Bond Fund	1,554,000	1,332,000	1,219,000
Credit Relative Value	594,000	438,000	302,000
Distressed Opportunities	704,000	333,000	297,000
Emerging Markets Debt	830,000	648,000	557,000
Fund of Hedge Funds	-	-	48,000
Global Equity	3,186,000	2,506,000	2,797,000
Index Linked All Stock Gilts	-	-	-
Infrastructure	1,150,000	1,074,000	729,000
Insurance-Linked Securities	430,000	489,000	451,000
Liability Driven Investment	4,952,000	4,799,000	6,187,000
Long Lease Property	478,000	445,000	211,000
Net Current Assets	153,000	138,000	18,000
Over 15 Year Gilts	10,000	231,000	447,000
Private Debt	485,000	361,000	224,000
Property	369,000	339,000	345,000
Risk Sharing	736,000	577,000	504,000
Secured Income	1,132,000	1,011,000	607,000
Liquid Credit	356,000	478,000	-
Opportunistic Illiquid Credit	527,000	444,000	-
High Yield	540,000	-	-
Opportunistic Credit	563,000	-	-
Cash	7,000	-	-
Total assets	<u>20,597,000</u>	<u>18,223,000</u>	<u>17,387,000</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	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 years (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>

THENUE 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 £	Non Housing Grants £	Total £
Capital grants received				
At 1 April 2020	116,259,699	2,911,611	1,592,017	120,763,327
Additions in the year	5,488,399	-	-	5,488,399
Eliminated on disposal	(60,250)	(80,312)	-	(140,562)
At 31 March 2021	<u>121,687,848</u>	<u>2,831,299</u>	<u>1,592,017</u>	<u>126,111,164</u>
Amortisation				
At 1 April 2020	27,506,948	1,102,743	192,638	28,802,329
Amortisation in year	2,397,823	64,568	37,450	2,499,841
Eliminated on disposal	(70,652)	(2,337)	-	(72,989)
At 31 March 2021	<u>29,834,119</u>	<u>1,164,974</u>	<u>230,088</u>	<u>31,229,181</u>
Net book value				
At 31 March 2021	<u>91,853,729</u>	<u>1,666,325</u>	<u>1,361,929</u>	<u>94,881,983</u>
At 31 March 2020	<u>88,752,751</u>	<u>1,808,868</u>	<u>1,399,379</u>	<u>91,960,998</u>

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

	2021 £	2020 £
Amounts due within one year	2,499,841	2,379,822
Amounts due in more than one year	92,382,142	89,581,176
	<u>94,881,983</u>	<u>91,960,998</u>

22. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2021 £	2020 £
At 1 April	143	145
Issued in year	4	2
Cancelled in year	(50)	(4)
At 31 March	<u>97</u>	<u>143</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.

THENUE 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 debt

	£	2021 £	£	2020 £
Increase in cash	2,125,966		314,374	
Cashflow from change in net debt	<u>1,224,414</u>		<u>387,323</u>	
Movement in net debt during the year		3,350,380		701,697
Net debt at 1 April		(33,862,483)		(34,564,180)
Net debt at 31 March		<u>(30,512,103)</u>		<u>(33,862,483)</u>

<i>Analysis of changes in net debt</i>	<i>At</i> <i>01 April 2020</i>	<i>Cashflows</i>	<i>Other</i> <i>Changes</i>	<i>At</i> <i>31 March 2021</i>
	£	£	£	£
Cash and cash equivalents	<u>4,586,549</u>	<u>2,125,966</u>	<u>-</u>	<u>6,712,515</u>
	4,586,549	2,125,966	-	6,712,515
Debt: Due within one year	(1,113,322)	1,224,414	(2,329,293)	(2,218,201)
Due after more than one year	<u>(37,335,710)</u>	<u>-</u>	<u>2,329,293</u>	<u>(35,006,417)</u>
Net debt	<u>(33,862,483)</u>	<u>3,350,380</u>	<u>-</u>	<u>(30,512,103)</u>

24. CAPITAL COMMITMENTS

	2021 £	2020 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	<u>10,521,000</u>	<u>14,843,000</u>

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

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	-	8,564
Expiring later than one year and not later than five years	36,665	13,238
Expiring later than five years	<u>-</u>	<u>-</u>

THENUE HOUSING ASSOCIATION LIMITED

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

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 423 London Road, Glasgow , G40 1AG, .

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

27. BOARD OF MANAGEMENT MEMBER EMOLUMENTS

Board of Management members received £0 (2020 - £1,450) 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.

28. PROVISIONS FOR LIABILITIES AND CHARGES

	2021	2020
	£	£
Furniture and Flooring Replacement		
At 1 April	311,367	354,312
Increase / (decrease) in provision	(1,293)	(42,945)
At 31 March	<u>310,074</u>	<u>311,367</u>

29. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2021	2020
	No.	No.
General needs	2,960	2,956
Supported housing	113	115
Shared ownership	50	53
	<u>3,123</u>	<u>3,124</u>

Supported housing units comprise 14 self contained flats (2020:14 self contained flats) plus 99 bedspaces (2020 : 101 bedspaces) within 19 non self contained properties (2020: 20 non self contained properties). Bedspaces within non self contained properties are counted as units.

THENUE HOUSING ASSOCIATION LIMITED

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

30. 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>27,980</u>	<u>34,492</u>
Factoring charges received from factored owners on the Board of Management and their close family members	<u>400</u>	<u>701</u>

At the year end total rent arrears owed by the tenant members on the Board of Management (and their close family) were £191 (2020 - £1,074).

At the year end total factoring arrears owed by owner occupiers on the Board of Management (and their close family) were £0 (2020 - £143).

Members of the Board of Management who are tenants	5	8
Members of the Board of Management who are owner occupiers	-	1

31. POST BALANCE SHEET EVENT

At the time of approving the financial statements, the United Kingdom is impacted by the Coronavirus pandemic. The Association is monitoring the position and updating its plans accordingly. Like most RSLs, however, the virus continues to impact the Association's activities.