

MINUTES OF MEETING OF THE MANAGEMENT COMMITTEE HELD ON TUESDAY 20 JUNE 2023 AT 6.00 P.M. IN PERSON AT 77-83 KILBOWIE ROAD, CLYDEBANK G81 1BL AND VIA A VIDEO CONFERENCING LINK

ACTION

Present:

Mrs C. Boyle	Chairperson	In person	Elected Member
Ms D. Smith	Vice-Chairperson	In person	Elected Member
Mr P. Shiach	Secretary	In person	Elected Member
Mr J. Hillhouse	Treasurer	In person	Elected Member
Ms. T. Hislop		In person	Casual Vacancy
Mr J. O'Donnell		In person	Casual Vacancy
Cllr G. Johal		Online	Co-opted Member

In Attendance:

Mrs L. Lees	In person	Chief Executive
██████████	Online	Alexander Sloan

1. Apologies

Apologies were received from Mrs L. Breeze. Mr J. Mooney, Mrs K. Tennant and Mrs G. Daly. It was noted that a quorum was present to enable the meeting to go ahead.

2. Chairperson's Remarks

The Chairperson welcomed everyone to the meeting and thanked members for their attendance.

3. Declaration of Interest

There were no declarations of interest.

4. Business Carried Over from Last Meeting

There was no business carried over from the last meeting.

5. Management Committee External Training/Conference Feedback (if applicable)

There had been no training undertaken.

6. Secretary's Report (For information)

The Secretary provided the following report:

a) Correspondence

There was no correspondence received.

b) Share Membership Applications

There was no applications received.

c) MC Applications

There was no applications received.

d) AGM 2023 update

The Chief Executive reminded committee members that the AGM was to be held on Thursday 29th June at Centre81 at 7.00pm.

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7. **Clydebank HA Accounts to 31 March 2023* (Approval Required)**

The Chief Executive welcomed ██████████ to the meeting. ██████████ thanked the staff at the Association for providing all of the information and clarification which greatly assisted the accounts auditing team.

██████████ stated that she would go through the detailed accounts, required for statutory purposes, and discuss key figures as follows:

Statement of Comprehensive Income for the year ended 31 March 2023 (page 16):

- Revenue had increased from the previous year combined with an increase in operating costs due to the current environment
- Operating surplus on ordinary activities before taxation recorded as c. £1.05m (c. £1.09m – 2022) which is a very healthy figure
- Gain on sale of c. £49k from full tranche of shared ownership property
- Interest received of c. £107k and significant rise in interest payable due to high interest rates

- ██████████
██████████
- Overall surplus of c. £886k (c. £1.09m – 2022) mainly due to additional loan interest for new housing developments
- £205k loss recorded in the valuation of the pension scheme and this is dependent on how the scheme and markets are performing and the volatility. It was noted that this is a book adjustment only and not a cash outgoing
- Total comprehensive income was recorded as c. £680k which is distorted in comparison with previous year due to the pension swing

• **Statement of Financial Position as at 31 March 2022 (page 17):**

- This Statement shows a “snapshot” of the Association’s affairs as at the 31 March 2023 and in this case, demonstrates the strength of the Association
- Value of Housing Properties has increased with the additions of the new build units coming off site and being made available to let
- Cash levels have grown to c. £9.2m
- Additional borrowing in long term liabilities
- A strong Net Current Asset position of c. £7.6m (c. £7.6m – 2022) which demonstrates the Association can pay obligations when they become due. It was noted this figure had decreased due to significant investment in new development and the investment replacement programme for major repairs
- Net Assets of c. £24.2m were noted, grown from c. £23.5m in 2022 and the difference was noted as being the surplus from the Statement of Comprehensive Income
- Cash Flow Statement on page 18 was another representation of the Balance Sheet showing the cash flowing through the Association

██████████ referred the Management Committee/Board of CHA Power Ltd to the start of the Auditors’ Report on page 12 and it was noted the report was longer due to new going concern requirements.

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██████████ indicated that the auditors were satisfied that the financial statements give a true and fair view of the Association's affairs as at 31 March 2023 and have been properly prepared in accordance with relevant legislation and accounting practice. ██████████ confirmed there were no issues related to Going Concern in the next 12 months.

██████████ noted that the Association was on a secure footing and that Auditors are required to report by exception where there are concerns over the financial and internal controls. ██████████ confirmed that there were no matters of concern to report.

██████████ concluded by stating it was a clean, unqualified report, and invited questions. There were none and the Accounts were unanimously approved by the Management Committee/Board of CHA Power Ltd and the office bearers will sign electronic copies after the meeting.

8. Audit Findings Report – Clydebank HA Ltd* (Approval Required)

The Management Committee/Board of CHA Power Ltd referred to the report which had been circulated prior to the meeting. ██████████ confirmed that this report was prepared for Management Committee and, although not for public issue, that it would be required to be submitted to the Scottish Housing Regulator along with the Financial Statements.

██████████ noted that there had been no threat to auditor independence and that the key audit risks, which had been outlined in the planning letters, had been covered during the audit fieldwork and no matters are unresolved. It was noted again that the Auditors were satisfied that the Financial Statements had been properly prepared for a charitable RSL.

██████████ went through the key audit issues on pages 4 and 5 and confirmed that the Auditors had used a risk-based approach. ██████████ confirmed that they had not come across any management overrides of controls or breaches and that a couple of development adjustments had been approved by the Chief Executive during the course of the Audit. ██████████

██████████ also mentioned that there may be an additional amount due to the SHAPS pension liability due to an ongoing court ruling which may affect the 2025 Financial Statements.

The Management Committee/Board of CHA Power Ltd noted the unadjusted items listed on Page 7, the adjusted items on Page 8 along with the minor recommendation on Page 9.

██████████ asked if there were any questions. There were none. The Management Committee/Board of CHA Power Ltd unanimously approved the 31 March 2023 Audit Findings Report for CHA.

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9. **Letter of Representation – Clydebank HA* (Decision/Approval Required)**

The Chief Executive referred to the above letter circulated prior to the meeting. [REDACTED] highlighted clause number 20, under the Pension Schemes heading, concerning the change to member benefits and a potential contingent liability regarding the SHAPS/TPT scheme. It was noted that there was no reliable estimate of the potential liability therefore it had not been included in the 2023 Financial Statements.

The Management Committee had no questions and the Chairperson confirmed this would be signed electronically by the required office bearers and returned to the Auditor following the meeting.

10. **CHA Power Ltd Accounts to 31 March 2023* (Decision/Approval Required)**

The Management Committee/Board of CHA Power Ltd referred to the above accounts, circulated prior to the meeting. [REDACTED] talked over the accounts and highlighted key figures, as follows:

- Turnover had increased modestly however cost of sales had increased considerably due to the significant rise in gas costs
- The gross loss reported of c. (£187k) had been offset by the c. £135k received from the SFHA Fuel Support Fund. The Auditors have confirmed with SFHA direct that they are happy with the income presentation in the Accounts
- A loss for the year after tax of c. (£90k) (c. £51k – 2022) which ties in with the investment decrease in the Association's accounts
- Tax refund of c. £12k due back due to losses reported. This would be done by the Auditors via a repayment claim
- Balance Sheet on Page 8 - despite loss and the fuel challenges, importantly the bank balance position remains positive
- Net asset position of c. £431k (c. £521k – 2022)

[REDACTED] referred to Note 2 on Page 12 and confirmed there was additional disclosure related to the current operating environment and the effects of the increased cost of natural gas. The Management Committee/Board of CHA Power Ltd confirmed that they were happy with the disclosure note and the forecasts of financial strength that had been prepared for the next 12 months.

[REDACTED] indicated that the auditors were satisfied that the financial statements give a true and fair view of CHA Power Ltd's affairs as at 31 March 2023 and have been properly prepared in accordance with relevant legislation and accounting practice.

[REDACTED] invited questions. There were none and the Accounts were unanimously approved by the Management Committee/Board of CHA Power Ltd and 2 Directors will sign electronic copies after the meeting.

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11. Audit Findings Report – CHA Power Ltd* (Decision/Approval Required)

The Management Committee/Board of CHA Power Ltd was referred to the report which had been circulated prior to the meeting. [REDACTED] confirmed that this was a clean, unqualified report which the auditors were able to arrive at independently in line with ethical standards/safeguards and that no weaknesses were found in the controls.

The key audit issues listed on page 4 were discussed in particular the detailed note on Going Concern and this was approved by the Management Committee/Board of CHA Power Ltd.

The Management Committee/Board of CHA Power Ltd noted the unadjusted and adjusted items on Page 6.

[REDACTED] invited questions. There were none and the report was noted and approved by the Management Committee/Board of CHA Power Ltd.

12. Letter of Representation – CHA Power Ltd* (Decision/Approval Required)

The Chief Executive referred to the above letter circulated prior to the meeting. [REDACTED] confirmed that it was similar to the letter for the Association, that the Management Committee make certain representations.

[REDACTED]

The Management Committee/Board of CHA Power Ltd approved this item and confirmed this would be signed electronically by 2 Directors of CHA Power Ltd and returned to the Auditor following the meeting.

[REDACTED] once again thanked the Chief Executive and the finance team for their preparation of the accounts and for their co-operation and assistance during the audit process in light of the additional audit testing and going concern requirements this year.

[REDACTED] was then thanked for her attendance and presentation of both sets of accounts and then left the meeting.

13. Intranet

The Chief Executive reminded the Management Committee to regularly visit the Intranet which should be easily accessible from the updated iPads.

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14. Signing of Minutes

The Chief Executive had noted that the use of electronic signatures is ongoing.

15. Date and Time of Next Meeting/Training Session

Per the schedule.

Meeting closed.

Checked by: LL

Date: 29.06.2023

APPROVED

PROPOSED

SECONDED

LL

* Indicates report issued with agenda