

Annual Report and Financial Statements

For the year ended 31 March 2024

**Barrhead Housing Association Limited
Registered Social Landlord No. HCB70
FCA Reference No.2229R(S)
Scottish Charity No. SC036265**

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Governing Board, Executive and Advisers

Governing Board

John Hamilton	Chairperson
Drew McKinney	Vice Chairperson
Brian Connelly MBE	
Rena McGuire BEM	
Beth Welsh	
Paul McIlvenny	
Alan Glasgow	
Lesley-Anne Junner	
Deborah McVey	
Alan Oliver	
CLlr Danny Devlin	
Jim Whyteside	(appointed 29 Jun 2023)

Executive Officers

Lorna Wilson	Chief Executive Officer
Lauren Rice	Director of Finance and Corporate Services
Scott Stewart	Director of Assets and Communities
Colin McCulloch	Director of Customer Services

Registered Office

60-70 Main Street
Barrhead
Glasgow
G78 1SB

Governing Board, Executive and Advisers (cont.)

External Auditors

Alexander Sloan LLP
180 St Vincent Street
Glasgow
G2 5SG

Internal Auditors

Wylie + Bisset
168 Bath Street
Glasgow
G2 4TP

Bankers

The Royal Bank of Scotland
1 Moncrieff Street
Paisley
Renfrewshire
PA3 2AW

Solicitors

TC Young
7 West George Street
Glasgow
G2 1BA

Report of the Governing Board

The Governing Board presents its report and the financial statements for the year ended 31 March 2024.

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No 2229R(S)), the Scottish Housing Regulator as a registered social landlord (No.HCB70) under the Housing (Scotland) Act 2010, the Scottish Property Factor Register (No PF000969) and is a registered Scottish charity with the charity number SC036265.

Principal Activities

The Association's principal activity is the provision of affordable housing for let. This includes general needs, supported accommodation, amenity/disabled accommodation, and sheltered housing.

Business Review

In March 2024, we published our new strategy – 'build homes, grow communities, delight customers'. We invested time and energy to make sure the whole team, board, customers and stakeholders contributed. Together we created something that will take Barrhead Housing into an exciting new future. The new strategy puts customers at the centre of what we do, focuses on delivering more homes, and builds on our crucial role in the community.

In a challenging year with rising costs and interest rates, and widespread economic uncertainty, we've delivered strong financial results whilst adding 30 properties to our housing stock and delivering steady investment in our existing homes. Our rent arrears have risen to £244k from £202k last year, reflecting challenging circumstances for our customers.

We continue to prioritise customer service. In addition to having our customer services officers visit tenants in their homes, we are now offering drop ins so customers can visit us in several informal community venues as well as in our office.

We know how much tenants value our repairs service. In 2023, we agreed new contracts with companies to provide reactive repairs and our performance has improved with almost 90% of repairs completed right first time.

During the year we redesigned our factoring service for owners, with local customer service officers now providing an estate service for both tenants and owners who live together in the same neighbourhoods.

Following a comprehensive review of our commercial subsidiary, we have put in place plans to provide Mid-Market rental homes for the many people who are unable to access home ownership or rented properties in our area. The company will develop homes and services to meet local needs, whilst generating profit to be reinvested by the Association for our charitable purpose.

It is important that our team members have the skills, confidence, and support to bring their best selves to work for our customers. We invested in our people during the year through learning and leadership development. We introduced new approaches to support employee wellbeing and recognise when people make a difference. New technology is being implemented to make it simpler for the team to get things done and free up their time to focus on what matters most to our customers. Our work with the team was recognised when we were awarded Investors in People Gold accreditation earlier this year.

Deciding to increase rents by 6.6% for 2024/25 was particularly difficult for the Governing Board. It was necessary due to rising costs and the impact of the previous year's increase which was far below inflation. We will continue to listen to customers about their priorities and deliver high quality services and investment in homes for the best value. We will be transparent about our decision making and accountable to our customers.

We have continued to work with our communities and partners to support our tenants and we offer a wide range of local activities and services. This work provides opportunities for people in the local area and helps to reduce inequality and poverty.

One of the year's highlights was reaching our 1000 homes target in August 2023. In a challenging environment, delivering 30 new homes to reach this milestone was a significant moment for us. The housing minister visited to share our celebration, and we highlighted to him the work we do every day to make a difference to people's lives.

We have a strong and engaged team of board members who give up their time and energy to govern the business and we are grateful for all the board members, team, volunteers and organisations who have worked with us during the year.

Governing Board and Executive Officers

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

Each member of the Governing Board 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 Governing Board.

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

Statement of Governing Board's Responsibilities

The Co-operative and Community Benefit Societies Act 2014 requires the Governing Board 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 Governing Board 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 Governing Board 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 2024. 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 Governing Board 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.

Statement on Internal Financial Control

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

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

It is the Governing Body'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 Governing Board 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 Governing Board;
- the Governing Board 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 Governing Board has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year end 31 March 2023. 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 no charitable donations (2023: £Nil).

Disclosure of Information to the Auditor

The members of the Governing Board 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 LLP, will be proposed at the Annual General Meeting.

By order of the Governing Board

Lauren Rice

Secretary

Date: 22/8/2024

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

In addition to our audit of the financial statements, we have reviewed your statement on page 8 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 8 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 Governing Board and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Governing Board'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 LLP

Statutory Auditors
GLASGOW
Date: 23/8/2024



Alexander Sloan
Accountants and Business Advisers

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARRHEAD HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the financial statements of Barrhead Housing Association Limited (the 'Association') for the year ended 31 March 2024 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 2024 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 2024.

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 Governing Board 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 Governing Board with respect to going concern are described in the relevant sections of this report.

Other Information

The Governing Board 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARRHEAD HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (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 Governing Board

As explained more fully in the statement of Governing Board's responsibilities as set out on page 5, the Governing Body 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 Governing Board 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 Governing Board 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 Governing Board 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:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARRHEAD HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (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 Governing Board 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARRHEAD HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (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 LLP
Statutory Auditors
Glasgow
Date: 23/8/2024

The logo for Alexander Sloan consists of a stylized blue 'A' shape formed by three thick, rounded lines.

Alexander Sloan
Accountants and Business Advisers

BARRHEAD HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Revenue	2	6,488,941	6,009,674
Operating costs	2	5,523,898	4,965,348
OPERATING SURPLUS		<u>965,043</u>	<u>1,044,326</u>
Interest receivable and other income		99,655	53,370
Interest payable and similar charges	7	(455,993)	(324,174)
Other finance income/(charges)	10	<u>(9,000)</u>	<u>1,000</u>
		<u>(365,338)</u>	<u>(269,804)</u>
Surplus on ordinary activities before taxation	8	<u>599,705</u>	<u>774,522</u>
SURPLUS FOR THE YEAR		599,705	774,522
Other comprehensive income			
Actuarial gains/(losses) on defined benefit pension plan	18	<u>(260,000)</u>	<u>(257,000)</u>
TOTAL COMPREHENSIVE INCOME		<u>339,705</u>	<u>517,522</u>

The results relate wholly to continuing activities.

The notes on pages 17 to 36 form an integral part of these financial statements.

BARRHEAD HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	2024	2023
		£	£
NON-CURRENT ASSETS			
Housing properties - depreciated cost	11	50,930,530	49,991,750
Other tangible assets	11	376,941	401,512
Investments	12	1	1
		<u>51,307,472</u>	<u>50,393,264</u>
CURRENT ASSETS			
Receivables	13	328,116	255,311
Cash and cash equivalents	14	2,137,083	4,344,611
		<u>2,465,199</u>	<u>4,599,922</u>
CREDITORS: Amounts falling due within one year	15	<u>(1,586,077)</u>	<u>(2,143,767)</u>
NET CURRENT ASSETS		<u>879,122</u>	<u>2,456,155</u>
TOTAL ASSETS LESS CURRENT		<u>52,186,594</u>	<u>52,849,419</u>
CREDITORS: Amounts falling due after more than one year	16	(7,139,902)	(7,634,004)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES			
Scottish housing association pension	18	<u>(445,000)</u>	<u>(188,000)</u>
		(445,000)	(188,000)
DEFERRED INCOME			
Social housing grants	19	<u>(29,790,535)</u>	<u>(30,555,964)</u>
		<u>(29,790,535)</u>	<u>(30,555,964)</u>
NET ASSETS		<u><u>14,811,157</u></u>	<u><u>14,471,450</u></u>
EQUITY			
Share capital	20	52	50
Revenue reserves		15,256,105	14,659,400
Pension reserves		(445,000)	(188,000)
		<u>14,811,157</u>	<u>14,471,450</u>

The financial statements were approved by the Governing Board and authorised for issue and signed on their behalf on 23/8/2024.

The notes on pages 17 to 36 form an integral part of these financial statements.

BARRHEAD HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024	2023
		£	£
Surplus for the Year		599,705	774,522
<i>Adjustments for non-cash items:</i>			
Depreciation of tangible fixed assets	11	1,823,689	1,655,455
Amortisation of capital grants	19	(1,026,831)	(986,884)
Non-cash adjustments to pension provisions		(3,000)	(86,000)
Share capital written off	20	<u>(2)</u>	<u>(8)</u>
		793,856	582,563
Interest receivable		(99,655)	(53,370)
Interest payable	7	<u>455,993</u>	<u>324,174</u>
Operating cash flows before movements in working		1,749,899	1,627,889
Change in debtors		5,847	(110,625)
Change in creditors		<u>(491,169)</u>	<u>57,552</u>
		<u>(485,322)</u>	<u>(53,073)</u>
Net cash inflow from operating activities		1,264,577	1,574,816
Investing Activities			
Acquisition and construction of properties		(2,723,879)	(4,456,929)
Purchase of other fixed assets		(14,019)	(10,969)
Social housing grant received		182,749	2,719,593
Social housing grant repaid		<u>-</u>	<u>(16,907)</u>
Net cash outflow from investing activities		(2,555,149)	(1,765,212)
Financing Activities			
Loan Advances Received		-	1,350,000
Loan redemption payments		-	(1,161,914)
Interest received on cash and cash equivalents		99,655	53,370
Interest paid on loans		(455,993)	(324,174)
Loan principal repayments		(560,622)	(612,377)
Share capital issued	20	<u>4</u>	<u>2</u>
Net cash outflow from financing activities		<u>(916,956)</u>	<u>(695,093)</u>
Decrease in cash	21	(2,207,528)	(885,489)
Opening cash & cash equivalents		<u>4,344,611</u>	<u>5,230,100</u>
Closing cash & cash equivalents		<u>2,137,083</u>	<u>4,344,611</u>
Cash and cash equivalents as at 31 March			
Cash	21	<u>2,137,083</u>	<u>4,344,611</u>
		<u>2,137,083</u>	<u>4,344,611</u>

The notes on pages 17 to 36 form an integral part of these financial statements.

BARRHEAD HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2024

	Share Capital	Scottish Housing Association Pension Reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1 April 2022	56	(17,000)	13,970,878	13,953,934
Issue of Shares	2	-	-	2
Cancellation of Shares	(8)	-	-	(8)
Other comprehensive income	-	(257,000)	-	(257,000)
Other movements	-	86,000	(86,000)	-
Surplus for the year	-	-	774,522	774,522
Balance as at 31 March 2023	50	(188,000)	14,659,400	14,471,450
Balance as at 1 April 2023	50	(188,000)	14,659,400	14,471,450
Issue of Shares	4	-	-	4
Cancellation of Shares	(2)	-	-	(2)
Other comprehensive income	-	(260,000)	-	(260,000)
Other movements	-	3,000	(3,000)	-
Surplus for the year	-	-	599,705	599,705
Balance as at 31 March 2024	52	(445,000)	15,256,105	14,811,157

The notes on pages 17 to 36 form an integral part of these financial statements.

BARRHEAD HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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 beginning 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 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. Contributions to defined contribution plans are recognised as an employee benefit expense when they are due.

Going Concern

On the basis that the Governing Board 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.

BARRHEAD HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note 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>
Kitchen	15 years
Central Heating System	30 years
Boilers	15 years
Bathrooms	20 years
Windows	25 years
Lifts	40 years
Structure	50 years
Roofs	40 years
Sheltered Housing Improvements	20 years

Depreciation and Impairment of Other Tangible Assets

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

<i>Asset Category</i>	<i>Depreciation Rate</i>
Office premises	Over 5 to 30 years
Furniture & equipment	Over 5 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.

Taxation

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

BARRHEAD HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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.

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.

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 was part of a VAT group with the subsidiary, Lavern Property Services Ltd. However the group was deregistered with effect from 1 October 2023.

Basis of Consolidation

The Association has obtained exemption from the Financial Conduct Authority from producing Consolidated Financial Statements as provided by Section 14(2A) of the Friendly and Industrial and Provident Societies Act 1968. The financial statements for Barrhead 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.

BARRHEAD HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note 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 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 Governing Board 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 Governing Board 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 Governing Board 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. Judgements relating to the benefits issue are included in Note 29.

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) 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.

BARRHEAD HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Note to the financial statements (continued)

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

	Notes	Turnover £	Operating costs £	2024 Operating surplus / (deficit) £	Turnover £	Operating costs £	2023 Operating surplus / (deficit) £
Affordable letting activities	3	6,096,779	5,152,382	944,397	5,738,330	4,732,098	1,006,232
Other Activities	4	392,162	371,516	20,646	271,344	233,250	38,094
Total		6,488,941	5,523,898	965,043	6,009,674	4,965,348	1,044,326

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

	General Needs Housing £	Shared Owner- ship & other Supported Housing £	Social Housing £	2024 Total £	2023 Total £
Revenue from Lettings					
Rent receivable net of service charges	4,885,178	141,946	-	5,027,124	4,735,881
Service charges receivable	51,191	18,497	-	69,688	64,080
Gross income from rent and service charges	4,936,369	160,443	-	5,096,812	4,799,961
Less: Rent losses from voids	25,316	1,548	-	26,864	48,515
Income from rents and service charges	4,911,053	158,895	-	5,069,948	4,751,446
Grants released from deferred income	1,026,831	-	-	1,026,831	986,884
Total turnover from affordable letting activities	5,937,884	158,895	-	6,096,779	5,738,330
Expenditure on affordable letting activities					
Management and maintenance administration costs	1,966,742	57,549	-	2,024,291	1,858,799
Service costs	52,974	22,488	-	75,462	63,261
Planned and cyclical maintenance, including major repairs	543,734	2,221	-	545,955	615,856
Reactive maintenance costs	646,711	29,486	-	676,197	535,239
Bad Debts - rents and service charges	61,346	41	-	61,387	51,452
Depreciation of affordable let properties	1,769,090	-	-	1,769,090	1,607,491
Operating costs of affordable letting activities	5,040,597	111,785	-	5,152,382	4,732,098
Operating surplus on affordable letting activities	897,287	47,110	-	944,397	1,006,232
2023	970,326	35,906	-		

BARRHEAD HOUSING ASSOCIATION LIMITED

Financial Statements for the year ended 31 March 2024
 Note 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	Other operating costs	Operating surplus / (deficit) 2024	Operating surplus / (deficit) 2023
	£	£	£	£	£	£	£	£
Community investment activities	72,480	201,157	-	19,862	293,499	273,638	19,861	10,784
Care and repair	-	-	1,852	-	1,852	1,852	0	1,793
Factoring	-	-	-	96,811	96,811	96,026	785	25,517
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total From Other Activities	72,480	201,157	1,852	116,673	392,162	371,516	20,646	38,094
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2023	<u> </u>	<u>232,945</u>	<u>1,793</u>	<u>36,606</u>	<u>271,344</u>	<u>233,250</u>	<u>38,094</u>	

BARRHEAD HOUSING ASSOCIATION LIMITED

Financial Statements for the year ended 31 March 2024

Note to the financial statements (continued)

5. Officers' Emoluments

	2024	2023
	£	£
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Governing Board, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	306,039	149,055
Pension contributions made on behalf of Officers with emoluments greater than £60,000	29,676	13,270
Emoluments payable to the Chief Executive Officer (excluding pension contributions)	91,750	86,471
Pension contributions paid on behalf of the Chief Executive Officer	8,173	7,621
Total emoluments payable to the Chief Executive Officer	99,923	94,092
Total emoluments paid to key management personnel	335,715	268,067

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

	No.	No.
£60,001 to £70,000	1	1
£70,001 to £80,000	2	-
£80,001 to £90,000	1	1

6. Employee Information

	2024	2023
	No.	No.
Average monthly number of full time equivalent persons employed during the year	28	25
Average total number of employees employed during the year	32	29
Staff costs were:	£	£
Wages and salaries	1,106,798	1,090,235
National insurance costs	111,306	105,222
Pension costs	107,858	109,007
	1,325,962	1,304,464

BARRHEAD HOUSING ASSOCIATION LIMITED

Financial Statements for the year ended 31 March 2024

Note to the financial statements (continued)

7. Interest Payable and Similar Charges

	2024	2023
	£	£
On bank loans and overdrafts	455,993	324,174
	<u>455,993</u>	<u>324,174</u>

8. Surplus for the year

	2024	2023
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	1,780,715	1,625,074
Auditors' remuneration - audit services	10,740	13,350
	<u>1,791,455</u>	<u>1,638,424</u>

9. Corporation Tax

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

10. Other Finance Income / (Charges)

	2024	2023
	£	£
Net interest on pension obligations	(9,000)	1,000
	<u>(9,000)</u>	<u>1,000</u>

BARRHEAD HOUSING ASSOCIATION LIMITED

Financial Statements for the year ended 31 March 2024 Note to the financial statements (continued)

11. Non Current Assets

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Total £
COST			
At 1 April 2023	71,980,195	2,845,770	74,825,965
Additions	2,131,201	592,678	2,723,879
Disposals	(158,551)	(16,009)	(174,560)
Transfers	3,412,052	(3,412,052)	-
	<u>77,364,897</u>	<u>10,387</u>	<u>77,375,284</u>
At 31 March 2024	77,364,897	10,387	77,375,284
DEPRECIATION			
At 1 April 2023	24,834,215	-	24,834,215
Charge for Year	1,742,126	-	1,742,126
Transfers	-	-	-
Disposals	(131,587)	-	(131,587)
	<u>26,444,754</u>	<u>-</u>	<u>26,444,754</u>
At 31 March 2024	26,444,754	-	26,444,754
NET BOOK VALUE			
At 31 March 2024	<u>50,920,143</u>	<u>10,387</u>	<u>50,930,530</u>
At 31 March 2023	<u>47,145,980</u>	<u>2,845,770</u>	<u>49,991,750</u>

	2024		2023	
	Component £	Improvement £	Component £	Improvement £
Expenditure on Existing Properties				
Amounts capitalised	1,501,977	629,224	628,203	87,736
Amounts charged to the statement of comprehensive income	-	1,222,152	-	1,151,095
	<u>1,501,977</u>	<u>1,851,376</u>	<u>628,203</u>	<u>1,238,831</u>

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carrying value of £20,105,811 (2023 - £21,696,772).

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

BARRHEAD HOUSING ASSOCIATION LIMITED

Financial Statements for the year ended 31 March 2024

Note to the financial statements (continued)

11. Non Current Assets (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Machinery & Equipment £	Total £
COST				
At 1 April 2023	766,204	223,301	-	989,505
Additions	-	14,019	-	14,019
Eliminated on disposals	-	(17,062)	-	(17,062)
	<u>766,204</u>	<u>220,258</u>	<u>-</u>	<u>986,462</u>
At 31 March 2024	766,204	220,258	-	986,462
DEPRECIATION				
At 1 April 2023	389,795	198,198	-	587,993
Charge for year	24,922	13,668	-	38,589
Eliminated on disposals	-	(17,062)	-	(17,062)
	<u>414,717</u>	<u>194,804</u>	<u>-</u>	<u>609,521</u>
At 31 March 2024	414,717	194,804	-	609,521
NET BOOK VALUE				
At 31 March 2024	<u>351,487</u>	<u>25,454</u>	<u>-</u>	<u>376,941</u>
At 31 March 2023	<u>376,409</u>	<u>25,103</u>	<u>-</u>	<u>401,512</u>

12. Fixed Asset Investments

	2024 £	2023 £
Subsidiary undertakings	1	1
	<u>1</u>	<u>1</u>

Subsidiary Undertakings

Barrhead Housing Association Limited has the following wholly owned subsidiary undertaking. The registered office of the subsidiary is 60-70 Main Street, Barrhead, Glasgow.

	2024		2023	
	Reserves £	Profit / (Loss) £	Reserves £	Profit / (Loss) £
Levern Property Services Limited	(20,274)	-	(20,274)	(10,878)
	<u>(20,274)</u>	<u>-</u>	<u>(20,274)</u>	<u>(10,878)</u>

BARRHEAD HOUSING ASSOCIATION LIMITED

Financial Statements for the year ended 31 March 2024 Note to the financial statements (continued)

13. Receivables

	2024	2023
	£	£
Gross arrears of rent and service charges	244,295	202,817
Less: Provision for doubtful debts	<u>(211,237)</u>	<u>(174,859)</u>
<i>Net arrears of rent and service charges</i>	33,058	27,958
Social housing grant receivable	95,000	16,348
Other receivables	179,784	91,274
Amounts due from group undertakings	<u>20,274</u>	<u>119,731</u>
	<u>328,116</u>	<u>255,311</u>

14. Cash and Cash Equivalents

	2024	2023
	£	£
Cash at bank and in hand	<u>2,137,083</u>	<u>4,344,611</u>
	<u>2,137,083</u>	<u>4,344,611</u>

BARRHEAD HOUSING ASSOCIATION LIMITED

Financial Statements for the year ended 31 March 2024 Note to the financial statements (continued)

15. Payables: Amounts falling due within one year

	2024	2023
	£	£
Bank loans	605,473	671,993
Trade payables	163,965	240,609
Rent received in advance	223,409	210,857
Other taxation and social security	29,909	27,378
Other payables	37,277	45,851
Accruals and deferred income	526,044	947,079
	<u>1,586,077</u>	<u>2,143,767</u>

16. Payables: Amounts falling due after more than one year

	2024	2023
	£	£
Bank loans	7,139,902	7,634,004
	<u>7,139,902</u>	<u>7,634,004</u>

17. Debt analysis: Borrowings

	2024	2023
	£	£
Bank Loans		
Amounts due within one year	605,473	671,993
Amounts due in one year or more but less than two years	694,871	673,893
Amounts due in two years or more but less than five years	2,233,004	2,126,298
Amounts due in more than five years	4,212,027	4,833,813
	<u>7,745,375</u>	<u>8,305,997</u>

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

Lender	Number of Properties Secured*	Effective Interest Rate	Maturity (Year)	Variable or Fixed
Nationwide		5.415%	2032	Fix
Nationwide		4.185%	2032	Fix
Nationwide	256	4.705%	2032	Fix
Nationwide		Base + 0.265%	2032	Var
Nationwide		Base + 0.265%	2032	Var
Santander	105	Base + 0.9%	2033	Var
Santander		4.265%	2033	Fix
Triodos	90	Base + 1.7%	2044	Var

* Secured property numbers are given by lender/facility, rather than individual loan.

BARRHEAD HOUSING ASSOCIATION LIMITED

Financial Statements for the year ended 31 March 2024 Note to the financial statements (continued)

18. Retirement Benefit Obligations

Scottish Housing Association Pension Scheme

Barrhead 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 2021 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £1,173m. The valuation revealed a shortfall of assets compared with the value of liabilities of £27m (equivalent to a past service funding level of 98%).

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

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

	2024	2023	2022
	£	£	£
Fair value of plan assets	3,208,000	3,453,000	5,241,000
Present value of defined benefit obligation	3,653,000	3,641,000	5,258,000
Surplus / (deficit) in plan	(445,000)	(188,000)	(17,000)
Unrecognised surplus	-	-	-
Defined benefit asset / (liability) to be recognised	(445,000)	(188,000)	(17,000)

BARRHEAD HOUSING ASSOCIATION LIMITED

Financial Statements for the year ended 31 March 2024 Note to the financial statements (continued)

18. Retirement Benefit Obligations (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2024	2023
	£	£
Defined benefit obligation at the start of period	3,641,000	5,258,000
Current service cost	3,000	9,000
Expenses	5,000	4,000
Interest expense	176,000	145,000
Contributions by plan participants	14,000	19,000
Actuarial losses (gains) due to scheme experience	(38,000)	(9,000)
Actuarial losses (gains) due to changes in demographic assumptions	(20,000)	(77,000)
Actuarial losses (gains) due to changes in financial assumptions	(29,000)	(1,587,000)
Benefits paid and expenses	(99,000)	(121,000)
Defined benefit obligation at the end of period	<u>3,653,000</u>	<u>3,641,000</u>

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

	2024	2023
	£	£
Fair value of plan assets at start of period	3,453,000	5,241,000
Interest income	167,000	146,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(347,000)	(1,930,000)
Contributions by the employer	20,000	98,000
Contributions by plan participants	14,000	19,000
Benefits paid and expenses	(99,000)	(121,000)
Fair value of plan assets at the end of period	<u>3,208,000</u>	<u>3,453,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was £(180,000).

BARRHEAD HOUSING ASSOCIATION LIMITED

Financial Statements for the year ended 31 March 2024 Note to the financial statements (continued)

18. Retirement Benefit Obligations (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2024 £	2023 £
Current service cost	3,000	9,000
Expenses	5,000	4,000
Net interest expense	9,000	(1,000)
Defined benefit costs recognised in statement of comprehensive income	<u>17,000</u>	<u>12,000</u>

Defined benefit costs recognised in the other comprehensive income

	2024 £	2023 £
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	(347,000)	(1,930,000)
Experience gains and losses arising on plan liabilities - gain /(loss)	38,000	9,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	20,000	77,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	29,000	1,587,000
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	<u>(260,000)</u>	<u>(257,000)</u>
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain / (loss)	-	-
Total amount recognised in other comprehensive income - gain (loss)	<u>(260,000)</u>	<u>(257,000)</u>

BARRHEAD HOUSING ASSOCIATION LIMITED

Financial Statements for the year ended 31 March 2024 Note to the financial statements (continued)

18. Retirement Benefit Obligations (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2024	2023	2022
	£	£	£
Absolute Return	144,000	47,000	240,000
Alternative Risk Premia	115,000	20,000	216,000
Corporate Bond Fund	-	4,000	331,000
Credit Relative Value	113,000	132,000	168,000
Distressed Opportunities	118,000	106,000	188,000
Emerging Markets Debt	56,000	27,000	195,000
Liquid Credit	-	-	34,000
Global Equity	369,000	91,000	1,036,000
Currency Hedging	(1,000)	7,000	(19,000)
Infrastructure	307,000	372,000	327,000
Insurance-Linked Securities	20,000	96,000	110,000
Liability Driven Investment	1,160,000	1,462,000	1,268,000
Long Lease Property	24,000	116,000	151,000
Net Current Assets	4,000	8,000	17,000
Over 15 Year Gilts	-	-	2,000
Private Debt	129,000	154,000	132,000
Property	136,000	144,000	136,000
Risk Sharing	192,000	252,000	171,000
Secured Income	107,000	231,000	280,000
Opportunistic Illiquid Credit	128,000	153,000	174,000
Cash	83,000	14,000	15,000
High Yield	1,000	17,000	51,000
Opportunistic Credit	-	-	18,000
Private Equity	3,000	-	-
Total assets	<u>3,208,000</u>	<u>3,453,000</u>	<u>5,241,000</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

	2024	2023	2022
Discount Rate	4.9%	4.9%	2.8%
Inflation (RPI)	3.1%	3.2%	3.5%
Inflation (CPI)	2.8%	2.8%	3.2%
Salary Growth	3.8%	3.8%	4.2%
Allowance for commutation of pension for cash at retirement	<u>75% of maximum allowance</u>	<u>75% of maximum allowance</u>	<u>75% of maximum allowance</u>

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	Life expectancy at age 65 years (years)
Male retiring in 2024	20.2
Female retiring in 2024	22.7
Male retiring in 2044	21.4
Female retiring in 2044	<u>24.1</u>

BARRHEAD HOUSING ASSOCIATION LIMITED

Financial Statements for the year ended 31 March 2024 Note to the financial statements (continued)

19. Deferred Income

	Social Housing Grants £	Total £
Capital grants received		
At 1 April 2023	47,759,617	47,759,617
Additions in the year	261,401	261,401
Eliminated on disposal	-	-
At 31 March 2024	<u>48,021,019</u>	<u>48,021,019</u>
Amortisation		
At 1 April 2023	17,203,653	17,203,653
Amortisation in year	1,026,831	1,026,831
Eliminated on disposal	-	-
At 31 March 2024	<u>18,230,484</u>	<u>18,230,484</u>
Net book value		
At 31 March 2024	<u>29,790,535</u>	<u>29,790,535</u>
At 31 March 2023	<u>30,555,964</u>	<u>30,555,964</u>
This is expected to be released to the Statement of Comprehensive Income in the following years:		
	2024	2023
	£	£
Amounts due within one year	1,030,900	1,011,000
Amounts due in more than one year	28,759,635	29,544,964
	<u>29,790,535</u>	<u>30,555,964</u>

20. Share Capital

	2024 £	2023 £
Shares of £1 each, issued and fully paid		
At 1 April	50	56
Issued in year	4	2
Cancelled in year	(2)	(8)
At 31 March	<u>52</u>	<u>50</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.

BARRHEAD HOUSING ASSOCIATION LIMITED

Financial Statements for the year ended 31 March 2024 Note to the financial statements (continued)

21. Cash Flows

Reconciliation of net cash flow to movement in net debt

	2024		2023	
	£	£	£	£
Decrease in cash	(2,207,528)		(885,489)	
Cashflow from change in net debt	560,622		424,289	
Movement in net debt during the year		(1,646,906)		(461,200)
Net debt at 1 April		(3,961,386)		(3,500,186)
Net debt at 31 March		(5,608,292)		(3,961,386)

Analysis of changes in net debt

	At 01 April 2023	Cashflows	Other Changes	At 31 March 2024
	£	£	£	£
Cash and cash equivalents	4,344,611	(2,207,528)	-	2,137,083
	4,344,611	(2,207,528)	-	2,137,083
Debt: Due within one year	(671,993)	560,622	(494,103)	(605,473)
Due after more than one year	(7,634,004)	-	494,103	(7,139,902)
Net debt	(3,961,386)	(1,646,906)	-	(5,608,292)

22. Capital Commitments

	2024	2023
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	2,080,666	1,775,021

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

23. Commitments Under Operating Leases

	2024	2023
	£	£
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
Other		
Expiring in the next year	5,764	4,673
Expiring later than one year and not later than five years	5,884	4,194

BARRHEAD HOUSING ASSOCIATION LIMITED

Financial Statements for the year ended 31 March 2024 Note to the financial statements (continued)

24. Details of Association

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

The Association's principal place of business is 60-70 Main Street, Barrhead, Glasgow, G78 1SB.

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

25. Governing Board Member Emoluments

Governing Board members received £50 (2023 - £20) in the year by way of reimbursement of expenses. No remuneration is paid to members in respect of their duties to the Association.

26. Housing Stock

The number of units of accommodation in management at the year end was:-	2024 No.	2023 No.
General needs	998	968
Supported housing	12	12
	<u>1,010</u>	<u>980</u>

27. Related Party Transactions

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

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

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

	2024 £	2023 £
Factoring charges received from factored owners on the Governing Board and their close family members	<u>411</u>	<u>-</u>

At the year end total factoring arrears owed by owner occupiers on the Governing Board (and their close family) were £155 (2023 - £nil).

Members of the Governing Board who are owner occupiers	1	1
Members of the Governing Board who are local councillors	1	1

Councillor Danny Devlin was co-opted onto the Board from September 2022. Any transactions with East Renfrewshire Council are made at arm's length, on normal commercial terms and Councillors cannot use their position to their advantage.

Levern Property Services Limited ("LPS") ceased trading at 1 April 2023. LPS was charged for a proportion of office overheads. The charge in the year was £nil (2023: £1,179). Levern Property Services also charged Barrhead for staff services provided. The cost in the year was £nil (2023: £25,517). At the year-end an amount of £20,274 (2023: £119,731) was due from Levern Property Services.

A member of the Association's governing board has an interest in Glasgow West of Scotland Forum and East Renfrewshire Chamber of Commerce. The Association paid membership fees to these organisations during the year of £2,121 (2023: £1,674) and £216 (2023: £216) respectively.

A member of the governing board has an interest in IncludeMe2Club. The Housing Association paid £386 (2023: £0) to the organisation during the year for room hire.

A member of the governing board has an interest in All about Barrhead. The Housing Association paid £900 (2023: £350) to the organisation during the year in relation to attendance at an awards ceremony.

BARRHEAD HOUSING ASSOCIATION LIMITED

Financial Statements for the year ended 31 March 2024 Note to the financial statements (continued)

29 Contingent Liability

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.