

ANGUS HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2024



CT:

Registered No. 1665R(S)
Scottish Charity No. SC020981
The Scottish Housing Regulator No. HAL65

REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2024

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Board Members and Advisors

For the year ended 31st March 2024

MEMBERS OF BOARD OF MANAGEMENT

Mr J Black	(Chair)
Mr C Irvine	(Vice Chair)
Mrs S Welsh	
Ms H Farquhar	
Mr I McDonald	
Mr S Storrie	
Mrs I McGarrol	
Mrs J Gaul	
Mr A Jack	
Mrs L McDonald	
Mr D Hart	(resigned 13.12.23)
Mrs C Glenn	(elected 13.12.23)

KEY MANAGEMENT PERSONNEL

Gail Robertson	Chief Executive Officer
Kevin Lynch	Director of Asset Management
Arlene Grant	Director of Finance and Corporate Services
Linlay Anderson	Director of Housing Services

SECRETARY AND REGISTERED OFFICE

Mrs G Robertson, 93 High Street, Arbroath, DD11 1DP.

SOLICITOR

Thorntons Law LLP, Whitehall House, 33 Yeaman Shore, Dundee, DD1 4BJ.

BANKERS

The Royal Bank of Scotland plc, Brothock Bridge, Arbroath, DD11 1NP.

Virgin Money PLC, 114 High Street, Montrose, DD10 8JE.

Flagstone Investment Management, 1st Floor, Clareville House, 26-27 Oxendon Street, London, SW1Y 4EL.

Nationwide Building Society, Kings Park Road, Moulton Park, Northampton. BB3 6NW.

EXTERNAL AUDITORS

Chiene + Tait LLP (trading as CT), Chartered Accountants & Statutory Auditor, 61 Dublin Street, Edinburgh, EH3 6NL.

INTERNAL AUDITORS

Quinn Internal Audit and Business Advisors, 55 Lady Place, Livingston, EH54 6TB.

REPORT OF THE BOARD OF MANAGEMENT

For the year ended 31st March 2024

The Board of Management presents its report and the Financial Statements for the year ended 31 March 2024.

OBJECTIVES AND STRUCTURE

The Association's broad objective is to contribute to providing high quality, affordable housing for all those individuals, families and communities in Angus and Dundee who are in need of the fundamental human right of a decent, secure home to call their own.

The Association aims to achieve this objective by providing good quality homes for rent and shared ownership at an affordable cost to our tenants, ensuring the criteria we use to control access to our houses is based solely on the housing needs of applicants and providing an efficient, responsive and personal housing management and maintenance service of the highest possible quality.

Board comprises eleven registered members and has four sub-committees, which deal with service delivery, development, remuneration and finance, audit, and risk. The Boards are made up of specialist consultants from relevant differing professions with a variety of skills. The Board of Management meets six times per annum, whilst the sub-committees meet at least four times per annum, except for the remuneration sub-committee, which meets at least twice per annum. Members of the Board of Management receive no remuneration for their services except for reasonable out of pocket expenses.

The Board of Management receives reports from the sub-committees, receives information on current developments in progress and on possible future sites, considers budgets and management accounts, all policy matters and other relevant business. The day-to-day management of the Association is delegated to the Chief Executive Officer and Senior Management Team.

REVIEW OF THE YEAR

The Board of Management is pleased to report a surplus for the year of £1,297,196 (2023: £1,739,327). The stock increased by 16 to 2,129 units through new build development, seven at Glenview, Forfar and eight at Dubton Farm, Brechin, plus one purchase on the open market.

The Statement of Financial Position shows a net asset position of £21,390,205 (2023: £20,711,022).

During the year, the Association continued to feel the impact of the cost-of-living crisis. Housing Management staff ensured that tenant arrears were kept under control with the ARC figure for 2023/24 being reported at 3.41%. This is an increase from 2.93% in 2022/23. We attribute the small increase to the sustained efforts from our housing team and from the support and assistance provided by our Financial Inclusion Team.

RESERVES

The Association needs to have reserves to ensure the organisation can function into the future and meet its liabilities, including the major repairs and investment needs of its properties. The revenue reserve of £21,390,205 reflects primarily the past investment in the housing stock and reserves for future major repairs and development. The Association has a cash level of £5,897,825 to support its future plans and operating requirements. The Association reviews its maintenance spending plans regularly and reassesses them in relation to reserves and cash flow.

STRUCTURE, GOVERNANCE

The members of the Board of Management and the Senior Management Team are listed on page 2.

Each member of the Board of Management holds one fully paid share of £1 in the Association. The Senior 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.

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2024

It is the responsibility of the Board of Management to undertake the strategy, setting of policy and overall direction of the Association. They also monitor the operational activities of the Association. The members of the Board of Management are unpaid volunteers.

Our governing body is our Board of Management, which is responsible to the wider membership. The Board of Management members serve in a voluntary capacity, and we recognise that this puts even more onus on us to ensure that we set and achieve a high standard of professionalism in our work. We take governance very seriously, and in the last year we have continued to build on work from previous years which strengthened our governance arrangements.

As part of our commitment to good governance and compliance, we submitted all statutory returns on time and our level of engagement with the Scottish Housing Regulator remains low with the status of Compliant.

BOARD RECRUITMENT AND TRAINING

As volunteers, the Board of Management give freely of their time, knowledge and experience and the Association recognises the significant commitment and contribution they make to the running of AHA. Recruitment and retention of Board members is an ongoing issue.

At Year End 2023/24, the Board had eleven members. This was because of a successful recruitment drive where new members were identified. The Chair and Vice Chair posts were filled at the AGM (Annual General Meeting) as a result of the existing Chair reaching the end of their 5-year term. Following the introduction of the Decision Time Board Portal, further development work was completed to fully utilise the Goals and Risks modules and there was development of the Resources area of DT to put the Board induction pack online and increase the training resources available. An internal audit of Board Recruitment, Induction and Training was carried out with High Assurance awarded.

The Association was deemed Compliant by the SHR which followed the submission of the 2022/23 ARC (Annual Return on Charter) in May 2023 and the Annual Assurance Statement in October 2023. The SHR also considers the Association's loans and financial position in making this determination. Board appraisals were carried out as per policy. 2023/24 saw the introduction of the new Business Support Analyst post which has vastly improved the quality of Board reports and has allowed data to be provided in a more consistent and understandable way. This post has been heavily involved in ensuring that we can trust the data coming from multiple sources and that when we are reporting, we are always consistent with the source of the data we select.

ELECTION OF BOARD OF MANAGEMENT

In terms of the Rules of the Association, one third of the Board must resign. Two members of the Board of Management; Ms Hazel Farquhar and Mr A Jack retire from office at this time and offer themselves for re-election. Additionally, Mrs I McGarrol resigns from office at this time.

AFFORDABILITY

2023/24 was a challenging year with regard to affordability. In February 2023, the Board set the rent increase at 5%. This followed the uncertainty of social landlords being caught up in the Scottish Governments emergency legislation to cap rents. Whilst this did not result in RSL's being capped, the sector as a whole took account of the cost-of-living crisis and rent increases across the sector were set at an average of 6.1%.

This was significantly under the CPI (Consumer Price Index) rate which reached 11%. Staff put considerable resources into the rent consultation process and promoted the benefits of the Financial Inclusion Team where tenants were struggling. Work commenced late in 2022/23 to complete the tri annual affordability research. The external consultant provided this to the Board finding that rents are still affordable to most of our tenants apart from those who are living in housing larger than their requirements, which is to be expected. The cost of running AHA has increased in 2023/24 with higher staffing, heating, and general running costs. Affordability and value for money remain a concern of the Board and future business planning will always take account of the balance required for both the needs of the tenants to ensure affordability and the needs of AHA to continue to run a sustainable business.

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2024

STABILITY

The stability of the Association is paramount to the Board and all the Association's stakeholders. The Annual Assurance Statement was submitted by the Association and the SHR's Regulatory Status for 2023/24 again delivered a compliant assurance level. The Internal Audit Programme in 2023/24 covered Rent Arrears, Stock Condition Data, Treasury Management, Board Induction, Training, Appraisal and Succession Planning and HR Policies. The change in external auditors resulted in some changes in the way the Annual Accounts were presented however these were improvements and the Association was given a good report by the auditors. Financially, year-end figures show a surplus of £1,297,196 and an operating surplus of £3,163,993. Housing stock value has risen by £5,726,475. The continued post covid cost of living crisis did result in a higher-than-expected rent increase and in salary costs.

STAFFING

One of the obligations for the Board is to set the future direction of the Association and to ensure that the structures within AHA can support the delivery of the Strategic Plan.

2023/24 saw two new Tenant Participation staff, a new temporary Clerk of Works, Project Officer, and Energy Advisor. It also saw the retirement of several staff. One unexpected issue that was dealt with within the year was the impact of the Scottish Government's (SG) Fair Work policy. Whilst the direct effect was the delay in HAG funding, cause of this was that the SG were unhappy with the lack of staff involvement in decision making. As a result, an Employee Voice Strategy was implemented with staff selecting two of their colleagues to represent them. To make it easier for staff to provide feedback and to encourage engagement, the Association also introduced Office Vibe which is an app that allows staff to provide feedback and gives managers data on key indicators that can be benchmarked. We undertook the full Staff Engagement Survey which was first introduced in 2020. There was a slight reduction in satisfaction with AHA as an employer in the 2023 survey. The Association's pay and reward package remains attractive. A desktop analysis of the Inbucon data shows staff continue in all but a few posts, to be paid in the upper quartile. AHA continued to commit to staff development with a second member of staff starting a Graduate Apprentice qualification, this time in Construction and the Built Environment at Robert Gordon University. Several staff completed CIH (Chartered Institute of Housing) qualifications, and we hosted a foundation apprenticeship within Finance and Corporate Services. A successful Staff Away Day was completed with the staff focusing on sharing on the topics of the Association's performance and communication.

DIGITAL

2023/24 saw the completion of several IT related projects. The Association removed onsite, hosted servers, and moved completely to the cloud, utilising Microsoft 365. This coincided with tendering our Managed IT Service. Connectivity within the offices has been improved. We continue to use and develop our capacity for Decision Time with the Goals and Risks modules now fully operational and being used to inform the Board as part of their governance obligations. A new phone system was tendered for and implemented, resulting in a system that meets the needs of staff in the hybrid working environment. It has also enabled analysis of calls to direct resources to appropriate departments.

RISK MANAGEMENT

We have used 2023/24 to build on the implementation of the Decision Time Risk Management Module. This has allowed us to detail our risks, link them to our strategic aims, evidence controls and mitigations and to put this into a package that provides the Board of Management and staff with up-to-date risk management information. Overall, the Board has identified 20 risks with 10 strategic, 4 financial and 2 Health & Safety risks. Included in key risks under constant monitoring are failure to grow including the future of our development programme due to recent Scottish Government cuts in the Affordable Housing Supply Budget and failure in the management of financial risks and control which includes covenant compliance. To reduce this risk, the Association will pay off one of the Clydesdale Bank loans (completed June 2024), reducing the risk of covenant breach. This covenant included capitalised improvement programmes and was limiting the Association's ability to invest in its stock and meet the obligations of the covenant. Another key area of risk management is that of Tenant Health and Safety. Within 2023/24 the Association has reviewed its approach to the identification, treatment, monitoring and reporting of damp and mould.

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2024

The current four highest risks are Failure to Grow, Failure of Business Continuity, along with Failure to deliver ESG objectives and Pension Obligations. During 2023/24 a significant project to review the asbestos register has been completed. The control measures associated with this are not fully complete and await the completion of the Asbestos Management Strategy. Once these control measures (which includes policy roll out, training, communication with tenants and a full inspection and monitoring regime) are fully delivered we expect this risk score to reduce. With regard to Business Continuity, the policy was reviewed in 2024 and now includes a robust Business Impact Assessment for all key areas of our operations. Following a successful tender for a Managed Service Provider to meet the Association's IT requirements, our resilience, under the ensuring Business Continuity risk has increased. This has included a review of our cyber risk. As we work towards Cyber Essential's plus accreditation (due to be in place by the end of 2024) we have assurance that many of the risks associated with operating with in-house and hosted servers by moving to cloud services through Microsoft 365 have been removed. As a result of these control measures, the residual risk score associated with the tenant health and safety and business Continuity risk has reduced. When we receive Cyber Essentials+ accreditation (expected at the end of 2024) and this control measure is fully implemented we will review the risk with the expectation that the residual risk score will reduce. The Failure to deliver ESG Obligations remains high as we are awaiting the publication of the final guidance from the Scottish Government on the requirements of the Social Housing Net Zero Strategy, which will be a foundation of our aim to deliver ESG objectives. Without this, the Association is unable to set the direction that the ESG Strategy should take or create a plan for its delivery. We aim to review our Asset Management Strategy in line with the SHR guidance and create a ESG strategy that works in tandem with the Asset Management Strategy to reduce this risk. The highest risk on the register is that of our Pension Obligations. This is due to the external nature of the risk and the potential impact of the tri-annual valuation.

The risk register reflects the significant external pressures that the Association faces. At the Board Away Day in December 2023, the Board completed a PESTLE Risk Analysis and this along with a review of the Scottish Housing Regulators' Business Planning Advisory Note and the Summary Outcomes of the Scottish Housing Regulators' Risk Assessments of Social Landlords has informed the regular reviews of Risk Register.

PERFORMANCE MANAGEMENT AND SERVICE DELIVERY

The Association strives to ensure that tenants receive value for money and good service. To these aims, we work towards meeting the outcomes of the Scottish Housing Regulators Regulatory Framework and the Scottish Social Housing Charter. The Association continues to perform well in key indicators. The Association's tri annual Tenants Satisfaction Survey was concluded early in 2023 following face to face interviews and a 42% return rate. Overall satisfaction ratings remain high at 86.8%.

Debt Recovery: Whilst inflation levels have reduced, there has been a residual effect from the peak of the crisis on our tenants and their ability to pay their rent. During 2023/24 some of the restrictions of the emergency housing legislation put in place at the peak of the crisis were still impacting the Association. At year end, the Housing Management staff had done a fantastic job of reducing the arrears level to 2.02% (2.09% in 2022/23) with a target of 2%, which continues to remain low in this economic climate. Given the economic situation, this represents a huge amount of effort and determination from the staff. The figure that we report through the ARC is not the 2% however, as it includes rent written off and excludes credit balances. This figure was 2.93% in 2022/23 and 3.41% for 2023/24. This represents an increase in arrears at year end of around £70,000 and increased former tenant arrears and write offs at year end. The number of tenants in arrears has reduced from 617 to 509 but there has been an increase in cases owing more than £1,500 from 15 to 26. Former tenant and recharge balances have unfortunately increased within 2023/24. However, the Association continues to perform and benchmark well.

BEST USE OF RESOURCES

Future financial planning is key to the Association's ability to provide ongoing services to our tenants and to maintain and future proof our stock.

The Association is committed to providing value for money both in terms of external funding and grants and the use of rental income. To that end, we have produced a comprehensive Annual Procurement Report for 2023/24 which will be submitted to the Scottish Government. The report shows significant progress against the Association's Procurement Strategy.

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2024

In 2023/24 the Association participated more fully in providing ARC and other data for the Scottish Housing Network which has allowed better benchmarking against peers and national averages. The Scottish Housing Network presented the Association's performance to the Board Away Day in December 2023.

More use is being made of the Community Benefits access through our contracts which this year has included an apprenticeship with our Gas Contractor.

WIDER ROLE

The Association is proud of its commitment to tenant participation and community engagement.

The Association's tenancy sustainment figures remain high with an increase from 85% overall in 2022/23 to 95% for 2023/24. This is due an increase in Section 5 Homeless applicants sustaining tenancies for more than 12 months. The work of the Housing Officers to resolve rent and ASB (Anti-Social Behaviour) issues and the input from the Financial Inclusion Team plays a significant part in ensuring the tenant income is maximised and rent is paid. It should be noted that the limitations on legal actions during the pandemic should have positively impacted the figures. High tenancy sustainment figures are an indication that where tenants are allocated new homes, the support and structures provided by the landlord assist the tenancy to be sustained for more than 1 year. Tenancy sustainment aims to ensure tenants pay rent which in turn reduces evictions and avoids abandonment. This reduces the number of voids within a year, reducing void loss.

In 2023/24, the FIT (Financial Inclusion Team) brought in approx. £390,000 of additional income and benefits for AHA tenants along with assisting tenants with arrears and other areas of money management. The team accessed around £4,000 from the Hardship fund to assist tenants to sustain the tenancies. During the year, an additional post of Energy Advisor was added to the team through part funding from an application to the SFHA (Scottish Federation of Housing Associations). Advice from the Energy Advisor has been sought after with 126 referrals in 6 months and both tenants and staff have been working with the postholder on issues such as damp and mould and fuel switch information. In 6 months, the post secured £37,623 in financial gains resulting in the post being mainstreamed into the staffing budget for 2024/25 given its importance to tenants. We continued to conduct the social value exercise on the new build at Longhaugh with a view to provide evidence on the benefit of investment with year-end figures showing a social value of around £11,000 per tenancy. The capacity of the Tenant Participation function was boosted in 2023/24 with the addition of two new part time posts. The team have widened the activities on offer to tenants and the wider communities and have built new relationships with local partners as well as continuing to work with organisations such as Skillz, You're Not Alone and Kith and Kin. The team conducted several tenant's events relating to the rent consultation. They have also been working with our Asset Management Team in relation to tenant involvement in upcoming improvement works. Following tenant feedback after the Tenants Satisfaction Survey, we delivered two tenant newsletters which the team co-ordinated. Specific consultations were carried out in relation to a local playpark and for the new development at St Vincents. Events to coincide with national and local campaigns and holidays were delivered with STEM, Easter, Halloween, and Christmas themes.

INVESTMENT

Development: 2023/24 added a further sixteen units to the Association's stock making a total figure of 2,129. The additional units were seven from phase 2 at Glenview, Forfar, eight at Dubton, Brechin, both developed by Scotia Homes. Additionally, one property in Montrose was purchased on the open market Whilst the numbers delivered in 2023/24 were low, after several years of delays, we did receive approvals for 4 sites which are now in progress. These are eighteen units at Whitfield Drive, twenty-one at St Vincents, ten at Durie Hill, Edzell and twenty-nine at Crudie Farm, Arbroath. This represents approx. £8.8m in HAG funding and around £6.5m in private finance. All sites bar Whitfield Drive have started on site by the end of the 2023/24 financial year.

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2024

Capital Works Programmes: The Association has had a considerable improvement programme in place during 2023/24 including kitchen, boiler, window and door replacement and painter work. This relates to improvements in around 384 of our stock (20%). Additional staffing and improved process are allowing whole house stock condition surveys to be undertaken when work is starting on a programme and better data collection and storage. A major programme to renew the Asbestos database concluded by the end of 2023/24. Work is still ongoing to take this information from the inspections and put it within the HomeMaster compliance module so that we can use it as a dynamic asbestos register. Following completion of the register, staff will complete the work on the Asbestos Management Policy. This is currently sitting as a red control measure against the Tenant Safety Risk however we expect this to move to amber once the work is completed. At the year end, the cost of the works completed is £2,539,985.

Reactive Repairs: Our performance on reactive repairs remains high. Our ARC submission for 2023/24 showed an improvement from 2.17 to 2.07 hours average to undertake emergency repairs. For non-emergency repairs, the average was 3.95 days which is improved from 4.3 hours in 22/23. This also includes an increase in numbers of repairs in both indicators. The percentage of repairs carried out within targets is 95% for non-emergency and 83% for emergency. Repairs carried out right first time remains high at 96%. We have started a process with the SHN (Scottish Housing Network) to carry out a desktop exercise each year to show benchmarking. The first of these will cover 2023/24. We have a continual process of reviewing tenant satisfaction for our repairs service. The annual figures show 93% of tenants who received a repair as very satisfied or satisfied. During 2023/24 we included reporting on damp and mould. The Scottish Housing Regulator (SHR) has not yet provided the format or guidance for how this is reported but we expect that as a result of the ARC review, they intend to carry out in 2024/25, indicators will be included. The systems we have put in place for reporting, managing, and monitoring damp and mould should mean that the process of reporting this in future is relatively simple. The latent impact of cost of living has impacted the reactive budget this year with an overspend to be reported at year end. We have also seen a significant increase in void repairs costs. Whilst we have had a significant drop in the number of relets this year, the average cost to relet a property has increased. This is partly due to contractor and material costs but the number of properties being returned from tenants in very poor condition has increased.

We have continued to perform well in relation to gas servicing and with the exclusion of the latent defects found for EICR compliance at Victoria Grange, this has been a strong service this year. The total spend on reactive maintenance including voids was £1.44m.

EQUALITY & DIVERSITY

In 2023/24, AHA achieved a bronze accreditation of the LGBT Youth Charter. This followed mandatory training with staff and promotion of equality through several local events organised by the Tenant Participation Staff. We continue to collect data from tenants, applicants, staff, and Board. We re-committed to be a Disability Confident Employer and continued to offer translation and assistance services through Happy to Translate and Language Line. The Association has also completed several Equality Impact Assessments.

SUSTAINABILITY

Significant progress has been made during 2023/24 despite the delays from the Scottish Government in publishing the consultation on the EESSH2 replacement. This has also delayed progress on developing an updated Asset Management Strategy which will have to consider key issues such as the balance between meeting growth goals through new build and the requirements of the Social Housing Net Zero Standard (SHNZS). We did however sign up to the Social Housing Sustainable Reporting Standard and produced our 2022/23 annual report. As an adopter of the standard, we will be able to monitor improvements in data and reporting and show our stakeholders that the Association has made and is progressing a commitment to reducing climate change. The delay in the SHNZS has also delayed the production of the ESG (Environmental, Social and Governance) policy which will aim to reflect the Associations' aims for carbon reduction in our stock and will very much depend on the direction taken by the Scottish Government.

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2024

TENANT AND STAKEHOLDER ENGAGEMENT

Progress has been made in our Tenant and Stakeholder goals within 2023/24. The team increased in size from 2 to 3 with the appointment of two part time Tenant Engagement Assistants. The decision to increase the team was taken to allow the Tenant Participation Officer to undertake more strategic work and to develop and build new partnerships for our tenants and communities. The community facilities at Ormiston Crescent and Russell Square have been utilised more in 2023/24. Around four hundred tenants have engaged with the Association during the year through organised events such as Seated Exercise classes, Bingo Blether, Greet Eat Meet and Health and Beauty Workshop Partnership. These events are supported by the Association and external organisations such as You Are Not Alone, Community Learning and Development, Police Scotland, HELM Project. Several environmental improvement projects have been supported by the Tenant Participation team including new Bike Storage in Carnoustie. Staff have also been involved in a training and careers fare, promoting housing as a professional career option.

FUTURE PLANS

Next 12 Months

The Association plans to complete fifty-one new build units in 2024/25 with the remainder of the programme (approx. forty-five units) completing in 2025/26. A significant budget of £2.8m will complete capital works programmes for kitchens, bathrooms and cyclical painterwork. Within 2024/25 the reactive maintenance contractor framework will be re-tendered, providing value for money. The Association is keen to ensure the involvement of local Small to Mediums Sized Enterprises (SMEs) and several events have been held to ensure that local contractors are aware of the opportunities to work for AHA and the process involved in joining the framework. A new painterwork framework which was set up at the end of 2023/24 is now in place to deliver this service. The Associations' legal services are to be tendered within 2024/25, as are insurance broker services. By the end of 2024, the Association expects to have Cyber Essentials+ accreditation which will complement the revised Business Continuity Plan which was approved by the Board in June 2024. The Association has revised its Business Planning process, and the new system will be implemented within 2024/25. This takes account of the SHR's Business Planning Advisory Note and will involve external verification along with a new reporting system for the Board and will fully utilise the Allia BP tool. Following the Cyber Essentials' work, the Association will be working with its Managed Service Provider to develop the Digital Strategy to ensure that the Association is delivering efficiencies and improving customer engagement opportunities through digital means.

The final guidance on the Social Housing Net Zero Standard (SHNZS) is expected from the Scottish Government in the Autumn of 2024 and following this, the Association will complete work on its revised Asset Management Strategy. We expect that regarding the Asbestos Risk, the register and the Asbestos Management Policy will be completed which will provide a robust and detailed view of the extent of Asbestos within the Associations' stock and how the Association will deal with this risk in future. The details of the SHNZS will also trigger the development of the Associations' ESG policy. This will include reporting on our sustainability in October 2024 through the Sustainability Reporting Standard and publishing the Associations ESG Annual Report for 2023/24.

In 2024, the Association is looking to set up an Apprenticeship scheme for an Asset Management Trainee. This is in response to an ageing workforce within our Reactive Maintenance department. The Association has signed the Young Person's Guarantee Scheme and the CIH's Commitment to Professionalism which along with raising standards internally, will ensure that the Association is promoting the social housing sector as a career opportunity for young people. Working with Abertay University, we have secured funding to carry out a project with a graduate who will be carrying out a research project on how the Association is perceived externally by Stakeholders.

The Association will repay its loans from the Virgin Money, removing a difficult covenant requirement and ensuring that we are not penalised for making improvements to our stock. It will also allow intercompany lending, which has been a barrier to the Association developing our subsidiary, Musselcrag.

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2024

The Board have taken the decision to put the rent re-structure planned for 2024/25 on hold. This is partly due to the delay in the SHNZS guidance being available on a timescale that allows proper consultation with tenants before the rent review work starts late 2024. Most of the work involved in setting up a new structure has been completed and this can be revisited within 2026/27.

A significant training programme has been put in place for the Board in 2024/25 covering topics from homelessness to cyber security.

During 2024/25 we hope to make progress on alternative office accommodation to allow the Arbroath and Dundee staff to work from one location. A site has been identified and we are progressing discussions with the owners on costs. Currently, the acquisition and refit costs can be met by current borrowing.

Medium Term (next 3 years)

The uncertainty regarding the Affordable Housing Supply budget means that the Association may not be able to deliver sites earmarked for development after 2026. We expect this will affect sites in Angus more than in Dundee however this situation remains fluid. The Association wishes to continue developing and continues to have regular conversations with developers who wish to work with the Association. If development slows or stops, internal resources, where appropriate, will be redirected towards improvement programmes. If HAG funding does become available for projects within the Strategic Housing Investment Programme (SHIP) for

Dundee and Angus, the Association will have to return to the market to secure funding to deliver these projects.

Better data and reporting abilities within the Association will ensure that our business planning is reflecting where resources need to be allocated in order to ensure that we are meeting our legal, regulatory, landlord and employer obligations and over the medium term, we will continue to develop this capacity. This ties in with delivering on the Asset Management Strategy and on our commitment to assist the Scottish Government to meet strategic goals such as Net Zero and Housing to 2040.

Over the next 3 years the expectation is that the Association will develop Musselcrag to allow it to deliver as a landlord through the Private Rented Sector and to ensure that it has the ability to work as a social enterprise, hopefully in partnership with other local third sector organisations where we can deliver on training, employability and providing additional services to tenants. We will be considering how the use of Community Benefits can assist with the development of services. Staff will complete training through the Service Design Academy to consider how best to set up new services through co-creation systems.

Long Term

The Association intends to remain an independent RSL with a development programme, providing steady growth opportunities. We intend to maintain and improve where possible, services and performance to our tenants. This will include encouraging tenants to become more involved in the decision-making processes within the Association through membership, with more tenants on the Board of Management and with the introduction of participatory budgeting for local communities where appropriate.

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 which give a true and fair view 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 accounting 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 the going concern basis unless it is inappropriate to presume that the Association will continue in business; and prepare a statement on Internal Financial Control.

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2024

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 it 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.

The Board of Management must, in determining how amounts are presented within items in the Statement of Comprehensive Income and the Statement of Financial Position, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Members of the Board of Management are aware:

- there is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's auditors are unaware, and
- the Members of the Board of Management have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

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 the 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 on-going documentation of key system and rules in relation to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the 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 the key business risks, financial objectives and 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 Finance, Audit and Risk sub-committees received reports from management and from 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.

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2024

The Board of Management have reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2024. No weaknesses were found in 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.

ELECTION OF AUDITORS

A resolution to appoint CT as auditors will be submitted at the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Gavin Roberts', with a large, stylized initial 'G'.

Secretary to the Board of Management

21st August 2024

**Independent Auditor's Report to the Members of
Angus Housing Association Limited**

CT:

For the year ended 31st March 2024

Opinion

We have audited the financial statements of Angus Housing Association Limited (the 'association') for the year ended 31 March 2024 which comprise of Statement of Comprehensive Income, Statement of Financial Position, the Statement of Cash Flows, Statement of Changes in Reserves, and notes to the financial statements, 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 its income and expenditure 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 Scottish Housing Regulator's Determination of Accounting Requirements 2019.

Basis for 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 UK, including the FRC'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 opinion.

Conclusions relating to going concern

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

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

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

Independent Auditor's Report to the Members of Angus Housing Association Limited (continued)

CT:

For the year ended 31st March 2024

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 requires 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; or
- a satisfactory system of control over transactions has not been maintained by the association in accordance with the requirements of the legislation; or
- 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 need for our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement (set out on page 10), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 Board either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

For the year ended 31st March 2024

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

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:

We gained an understanding of the legal and regulatory framework applicable to the Association and the industry in which it operates and considered the risk of acts by the Association which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Housing SORP 2018, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland) Act 2010.

We focused on laws and regulations that could give rise to a material misstatement in the Association's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation.
- enquiries of the members;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

**Independent Auditor's Report to the Members of
Angus Housing Association Limited (continued)**

CT:

For the year ended 31st March 2024

Use of our report

This report is made solely to the Association's members, as a body, in accordance with 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.



**CT
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL**

21 August 2024

In addition to our audit of the financial statements, we have reviewed your statement on page 11 concerning the Association's compliance with the information required by the Regulatory Standards for in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes 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 on Internal Financial Control on page 11 has provided the disclosures required by the relevant Regulatory Standards for systemically important RSLs within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are 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 for systemically important RSLs in respect of internal financial controls within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



**CT
Chartered Accountants & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL**

21 August 2024

STATEMENT OF COMPREHENSIVE INCOME
For the reporting year to 31st March 2024

	Notes	2024 £	2023 £
Turnover	2	12,095,995	11,388,303
Operating costs	2	<u>(8,932,002)</u>	<u>(8,010,949)</u>
OPERATING SURPLUS		3,163,993	3,377,354
Interest receivable and other income		151,601	62,424
Interest payable and similar charges	6	(2,000,398)	(1,700,451)
Pension interest	19	<u>(18,000)</u>	<u>-</u>
SURPLUS FOR YEAR		<u>1,297,196</u>	<u>1,739,327</u>
Actuarial loss in respect of pension schemes		<u>(618,000)</u>	<u>(576,000)</u>
Total comprehensive income for the year		<u>679,196</u>	<u>1,163,327</u>

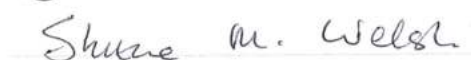
The financial statements were approved by the Board of Management on 21st August 2024 and were signed on its behalf by:



Chairman of Board of Management



Secretary to Board of Management



Member of Board of Management

The notes on pages 22 to 40 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31st March 2024

	Notes	2024 £	2023 £
PLANT, PROPERTY & EQUIPMENT			
Housing properties	9a	135,471,363	129,744,888
Fixed Asset Investment	9b	1	216,868
Other Fixed Assets	9c	662,459	706,329
		<u>136,133,823</u>	<u>130,668,085</u>
CURRENT ASSETS			
Debtors	10	1,275,651	1,177,225
Cash & Deposits		5,897,825	7,713,235
Stock of Maintenance Supplies	11	-	4,749
		<u>7,173,476</u>	<u>8,895,209</u>
CREDITORS: amounts falling due within one year	12	<u>(4,661,064)</u>	<u>(4,667,746)</u>
NET CURRENT ASSETS		<u>2,512,412</u>	<u>4,227,463</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		138,646,235	134,895,548
CREDITORS: amounts falling due after more than one year	13	(116,238,551)	(113,803,047)
Pension Provision	19	<u>(1,017,479)</u>	<u>(381,479)</u>
TOTAL ASSETS LESS LIABILITIES		<u>21,390,205</u>	<u>20,711,022</u>
CAPITAL AND RESERVES			
Share Capital	14	35	48
Revenue reserve	15	<u>21,390,170</u>	<u>20,710,974</u>
		<u>21,390,205</u>	<u>20,711,022</u>

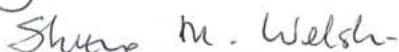
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Chairman of Board of Management



Secretary to Board of Management



Member of Board of Management

The notes on pages 22 to 40 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

	Share Capital £	Revenue Reserve £	Total £
As at 31 March 2023	48	20,710,974	20,711,022
Surplus for the year	-	1,297,196	1,308,104
Write off of Repairs Provisions	-	-	-
Re-measurement loss on defined benefit	-	(618,000)	-
Total Comprehensive Income	48	21,390,170	22,019,126
Share Capital Cancelled	(16)	-	(16)
Share Capital Addition	3	-	3
As at 31 March 2024	35	21,390,170	22,019,113

The notes on pages 22 to 40 form part of these financial statements.

STATEMENT OF CASH FLOWS
For the reporting date 31st March 2024

	Notes	2024 £	2023 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	16	<u>5,734,441</u>	<u>4,410,304</u>
CASHFLOW USED IN INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(8,243,925)	(6,027,949)
Purchase of investments			
Grants received		3,770,174	1,432,443
Interest receivable		<u>151,601</u>	<u>62,424</u>
NET CASH FLOW USED IN INVESTING ACTIVITIES		(4,322,150)	(4,533,082)
CASHFLOW USED IN FINANCING ACTIVITIES			
Issue of share capital		(13)	3
Interest payable		(2,018,397)	(1,700,451)
Repayment of borrowings		<u>(1,209,292)</u>	<u>(1,510,153)</u>
NET CASH FLOW USED IN FINANCING ACTIVITIES		(3,227,702)	(3,210,601)
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>(1,815,411)</u>	<u>(3,333,379)</u>
CASH AND CASH EQUIVALENTS AS AT 1ST April 2023		<u>7,713,235</u>	<u>11,046,614</u>
CASH AND CASH EQUIVALENTS AS AT 31ST March 2024		<u>5,897,825</u>	<u>7,713,235</u>

The notes on pages 22 to 40 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2024

1. ACCOUNTING POLICIES

Accounting basis

These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards 102 (FRS102) and the Statement of Recommended Practice for Social Housing Providers 2018 (SORP 2018) and the Scottish Housing Regulator Determination of Accounting Requirements 2024.

The financial statements have been prepared on a going concern basis.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years unless otherwise stated.

The financial statements are presented in sterling which is the functional currency of the Association.

Turnover

Turnover represents the rental and service charge income receivable in the year net of losses from voids, revenue, and other grants.

The disposal from the first tranche of shared ownership properties is included in turnover at the point of legal completion. The second and subsequent tranches are accounted for in other income in the period which the disposal occurs.

Sale of housing properties

The surplus or deficit is accounted for in the period the disposal occurs and represents the difference between the net sale proceeds and the net carrying value. The surplus/deficit amount arising from the sale of housing properties is disclosed separately in the Statement of Comprehensive Income.

Shared Ownership sales

In accordance with the SORP 2018, shared ownership properties are reflected within Fixed Assets. Proceeds from first tranche disposals are allocated to Turnover. Costs relating to expected first tranche sales are reflected in current assets and released to the Statement of Comprehensive Income on sale.

The surplus or deficit on the disposal of second subsequent tranches of shared ownership properties are accounted for in the Statement of Comprehensive income within the Gain/ Loss on sale of Tangible Fixed Assets.

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2024

ACCOUNTING POLICIES (continued)

Interest Income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

Fixed assets – housing land and buildings

Housing properties are stated at cost. The development costs of housing properties include the following:

- i. Cost of acquiring land and buildings.
- ii. Development expenditure.
- iii. Capital acquisition and development administration costs.
- iv. Capital clerk of works costs

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

The proceeds arising from first tranche “sales” of Housing Association Grant funded shared ownership properties are recorded through the Income & Expenditure Account, with any subsequent sales treated as a disposal of fixed assets.

In accordance with the SORP, where a housing property comprises two or more major components with substantially different useful economic lives, each component has been accounted for separately and depreciated over its useful life. The following components have been identified:

<u>Component</u>	<u>Useful Economic Life</u>
Land	Not Applicable
Main Structure	90 Years
Roof	50 Years
Windows & Doors	30 Years
Guttering / Woodwork	25 Years
External Fencing	25 Years
Heating System - Gas	15 Years
Heating System - Electric	15 Years
Heating System - Radiators	25 Years
Kitchen	15 Years
Bathroom	15 Years
Electrical Installation	10 Years
Controlled Entry Systems	12 Years
Storage Battery	20 Years
Solar PVs	20 Years
Air Source Heat Pumps	20 Years

The Association will capitalise the replacement of these components in line with its Lifecycle Replacement Programme. One off main component replacements will not be capitalised unless the replacement is within a timeframe which means that the component will not be replaced again at the next scheduled cycle.

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2024

ACCOUNTING POLICIES (continued)

Fixed assets – impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is at the scheme of properties (e.g. the cash generating unit (CGU)).

The following key judgement has been made in defining the CGU's for housing properties (including shared ownership properties): where schemes have been developed together and are managed together, they are deemed to be a single CGU.

The key indicators considered in reviewing impairment are: changes in demand, changes in use, economic performance worse than expected, significant decline in market value, reduction in market value were intend to sell, plans to regenerate, demolish or replace existing components, on completion of new developments were costs are higher than anticipated, and other changes in technology, market, economy and legislation.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the Statement of Comprehensive Income.

Fixed assets – other fixed assets

Items costing more than £1,500 are capitalised. Depreciation is provided for at rates calculated to write off the cost of each asset evenly over its expected useful life as shown above except for the following:

Housing Properties (shared ownership)	over 50 years
Office Building	over 50 years
Computer and Office Equipment	over 4 years
Office and Furnished Flat Furnishings	over 4 years

Development Interest

Interest on borrowings specifically financing a development is capitalised to the extent that it accrues in respect of the period during which development activities are in progress. All other interest is written off to the Statement of Comprehensive Income in the period in which it accrues.

Capitalisation of overheads

Costs which directly relate to bringing assets into working conditions are included within the cost of the asset and any subsequent component replacements. These primarily relate to salary costs.

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2024

ACCOUNTING POLICIES (continued)

Subsidiary

The subsidiary Musselcrag Limited is a dormant company as at 31st March 2024 and accordingly the Association has not prepared consolidated financial statements.

Debtors and Creditors

Debtors and creditors within a year and stated with no interest receivable or payable and are recorded at transaction price.

Stock

Stock is valued at the lower of cost and estimated selling price less cost to complete and sell using a weighted average method.

Grants

Where a grant is paid as a contribution towards revenue expenditure, it is included in turnover. Where a grant is received from government and other bodies as a contribution towards a capital cost, it is recognised as income using the performance model in accordance with the SORP 2018. Prior to satisfying the performance conditions such grants are held as deferred income on the Statement of Financial Position.

Social Housing Grant 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2024

ACCOUNTING POLICIES (continued)

Lead Tenancy Provision

Lead Tenancy agreements require that a proportion of the rental income be retained by the Association to provide for future major repairs. Any sums remaining at the expiry of the Lead Tenancy Arrangement will be repaid to the owner of the property.

Significant Estimates

The preparation of financial statements requires the use of certain accounting judgements and estimates. It also requires the Board of Management exercise judgement in applying the Association's accounting policies. The areas requiring the use of significant estimates are disclosed below.

(i) Rent Arrears – Bad Debt Provision

The Association assumes the recoverability of rent arrears through a detailed process that considers tenant payment history and recovery arrangements in place.

(ii) Useful Life of Properties, Plant and Equipment

The Association estimates the useful life of properties, plant, and equipment, as well as components thereof, and estimates an annual charge to be depreciated.

(iii) Defined Benefit Pension Liability

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

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty of not more than 24 hours.

Deposits

Funds held in short term deposit accounts for a term over 3 months are presented at their current value with any interest received being charged to the statement of comprehensive income.

Operating Leases

Rental applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Income and Expenditure Account on a straight-line basis over the term of the lease.

Pensions

The Association participates in the Scottish Housing Association's Pension Scheme (SHAPS) providing benefits based on Career Average Revalued Earnings. The Association's share of the Scheme Assets and Liabilities is shown in the Statement of Financial Position in accordance with their requirements of FRS17.

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2024

2 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	Turnover	Operating Costs	2024 Operating Surplus/(Deficit)	2023 Operating Surplus/(Deficit)
	£	£	£	£
Income & Expenditure from Lettings	11,742,314	8,578,247	3,164,067	3,376,929
Other Activities	353,681	353,755	(74)	426
TOTAL	12,095,995	8,932,002	3,163,993	3,377,354
Total for 2023	11,388,303	8,010,949		

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

	General Needs Housing	Shared Ownership	2024 Total	2023 Total
	£	£	£	£
Rent Receivable net of Service Charges	10,694,830	10,821	10,705,650	9,888,920
Service Charges Receivable	98,106	-	98,106	93,673
Gross Rent Receivable	10,792,935	10,821	10,803,756	9,982,593
LESS: Rent Losses from Voids	(46,853)	-	(46,853)	(36,873)
Net Income from Rents & Service Charges	10,746,082	10,821	10,756,903	9,945,720
Amortised Government Grants	955,572	-	955,572	939,656
Revenue Grants	29,839	-	29,839	158,434
Total Turnover from Social Letting	11,731,493	10,821	11,742,314	11,043,811
Management Services	3,150,918	-	3,150,918	2,636,632
Planned and Cyclical Maintenance	74,719	-	74,719	107,784
Reactive Maintenance	756,030	-	756,030	820,248
Rent Losses from Bad Debts	1,440,242	-	1,440,242	1,347,062
Depreciation of Social Housing	115,362	-	115,362	77,904
Total Operating Costs	3,040,976	-	3,040,976	2,677,252
Operating Surplus	8,578,247	-	8,578,247	7,666,882
Operating Surplus	3,153,246	10,821	3,164,067	3,376,929
Operating Surplus for 2023	3,366,793	10,135		

Note: All Major Repair costs not capitalised are included in Planned and Cyclical Maintenance.
There was no impairment of social housing.

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2024

3 PARTICULARS OF INCOME AND EXPENDITURE FROM LETTINGS (continued)

The number of units of housing under development and in management at 31st March 2024 was:

	Units under Development		Units in Management	
	2024	2023	2024	2023
Housing accommodation for letting				
New build – Shared Ownership	-	-	-	-
New build – Rented	66	21	1,640	1,625
Rehabilitation – Rented	-	-	504	503
Rehabilitation – Sheltered	-	-	-	-
	<u>66</u>	<u>21</u>	<u>2,144</u>	<u>2,128</u>

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

	Grants from Scottish Ministers	Other Income	Total Turnover	Operating Costs - Bad Debts	Other Operating Costs	2024 Operating Surplus/ (Deficit)	2023 Operating Surplus/ (Deficit)
	£	£	£	£	£	£	£
Grant Funded Disabled Adaptations	135,000	-	135,000	-	133,160	1,840	(11,865)
Factoring	-	51,666	51,666	1,016	72,589	(21,939)	(12,783)
Other Activities	-	167,015	167,015	-	146,990	20,025	25,074
TOTAL	<u>135,000</u>	<u>218,681</u>	<u>353,681</u>	<u>1,016</u>	<u>352,739</u>	<u>(74)</u>	<u>426</u>
Total 2023	160,201	184,292	344,493	2,802	341,266	426	54,146

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2024

5 GAIN / (LOSS) ON SALE OF FIXED ASSET

	Shared Ownership Properties	Other Properties	2024 Total	2023
	£	£	£	£
Proceeds	-	-	-	-
Cost of Disposal	-	-	-	-
Gain / (Loss)	-	-	-	-

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2024	2023
	£	£
Bank loans and overdrafts	2,000,398	1,700,451
Interest on defined benefit pension liability	-	-
	<u>2,000,398</u>	<u>1,700,451</u>

7 SURPLUS FOR THE YEAR

This is stated after charging:	2024	2023
	£	£
Auditors' remuneration (including VAT) - external audit	11,880	11,640
- internal audit	7,584	5,688
Donations to Local Charities	150	-
Operating Leases	0	26,644
(Gain) / loss on disposal of fixed asset	83,647	28,819
Depreciation of housing properties	2,957,330	2,647,446

8 STAFF COSTS

At the year-end there were 53 full time equivalent employees (2023: 48). Staff costs during the year amounted to:

	2024	2023
	£	£
Wages and Salaries	1,846,977	1,745,554
National insurance	192,292	186,347
Pensions	366,778	305,176
	<u>2,406,047</u>	<u>2,237,077</u>
	No.	No.
The average number of persons directly employed by the Association during the year was	<u>53</u>	<u>48</u>

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2024

8 STAFF COSTS (continued)

KEY MANAGEMENT PERSONNEL

As per the Scottish Housing Regulator's Determination of Accounting Requirements 2014, disclosure of key management personnel's emoluments exceeding £60,000 per annum is required.

	2024 £	2023 £
The total emoluments payable to key management personnel and former key management personnel amount to: -		
Emoluments excluding employers' pension	344,482	231,568
Employers pension contributions	37,160	21,574
	<u>381,642</u>	<u>253,141</u>

The emoluments (including pension contributions but excluding redundancy payments) of the Officers were in the following ranges:

	No.	No.
£60,000 - £70,000	-	-
£70,001 - £80,000	1	2
£80,001 - £90,000	2	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	-
	<u>4</u>	<u>3</u>

No emoluments were paid to any member of the Board.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2024

9 TANGIBLE FIXED ASSETS

a) Housing Properties	Wholly Owned Completed £	Wholly Owned in Course of Construction £	Shared Ownership Completed £	Total £
Cost:				
At 1 st April 2023	163,088,237	3,457,423	134,231	166,679,891
Additions during year	2,530,239	6,403,141	-	8,933,379
Transfer	1,777,401	(1,777,401)	-	-
Disposals in year	(530,816)	(171,840)	-	(702,656)
At 31 March 2024	<u>166,865,060</u>	<u>7,911,323</u>	<u>134,231</u>	<u>174,910,615</u>
Depreciation:				
At 1 st April 2023	36,935,003	-	-	36,935,003
Disposals in year	(450,499)	-	-	(450,499)
Charge for year	2,954,748	-	-	2,954,748
At 31 st March 2024	<u>39,439,252</u>	<u>-</u>	<u>-</u>	<u>39,439,252</u>
Net book value:				
At 31 st March 2024	<u>127,425,808</u>	<u>7,911,323</u>	<u>134,234</u>	<u>135,471,363</u>
At 31 st March 2023	<u>126,153,234</u>	<u>3,457,423</u>	<u>134,231</u>	<u>129,744,888</u>

Total works carried out on housing properties for the year ended 31st March 2024 was £3,303,107 (2023 - £3,906,880). Of this total £2,539,985 (2023 - £3,086,632) was capitalised above and £763,122 (2023 - £820,248) was expensed in the Statement of Comprehensive Income in line with recommended practice.

During the year, the Association had capitalised salary costs of £443,858 (2023 - £439,783).

b) Fixed Asset Investments	Homestake £	Subsidiary £	Total £
Cost:			
As 1 st April 2023	216,867	1	216,868
Disposals during the year	(216,867)	-	-
Additions during the year	-	-	-
As at 31 st March 2024	<u>-</u>	<u>1</u>	<u>1</u>
Net book value At 31 st March 2023	<u>216,867</u>	<u>1</u>	<u>216,868</u>

The wholly owned subsidiary Musselcrag Limited was dormant throughout the financial year.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2024

9 TANGIBLE FIXED ASSETS (continued)

c) Other	Office & Lounges	Computer Equipment	Office Equipment	Total
Cost:	£	£	£	£
At 1st April 2023	1,092,918	128,641	6,237	1,227,796
Additions during year	6,041	7,160	-	13,201
Disposals during the year	-	(3,643)	(3,703)	(7,345)
At 31st March 2024	1,098,959	132,159	2,534	1,233,652
Depreciation:				
At 1st April 2023	462,691	56,576	2,200	521,467
Disposals during the year	-	(2,450)	(1,566)	(4,016)
Provided during year	21,858	31,250	634	53,741
At 31st March 2024	484,549	85,376	1,264	571,192
Net book value:				
At 31st March 2024	614,409	46,783	1,267	662,459
At 31st March 2023	630,227	72,065	4,037	706,329

10 DEBTORS

	2024	2023
	£	£
Amounts falling due within one year:		
Rental Debtors	332,571	375,214
Less Provision for bad & doubtful debts	(101,208)	(49,260)
Net Rental Debtors	231,363	325,954
Recharge Account Debtors	131,209	104,876
Less Provision for bad & doubtful debts	(77,432)	(57,037)
Net Recharge Debtors	53,777	47,839
HAG Receivable	564,258	306,535
Other Debtors	237,830	290,062
Prepayment and accrued income	188,423	206,835
	1,275,651	1,177,225

The Rental and Recharge Debtors figures shown above are net of the current Provision for Bad Debts of £178,640 (2023: £106,297). The provision ensures that 100% of the outstanding Ex-Tenant Rent and 100% of the Ex-Tenant Recharge Balances were provided for. Rental Debtors accounts for £101,208 (2023: £49,260 – 50% of outstanding debt) of the provision with the remaining £77,432 (2023: £57,037) deducted from the Recharge Account Debtors.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2024

11 STOCK OF MAINTENANCE SUPPLIES

	2024	2023
	£	£
Stock of Various Items of Ironmongery	-	4,749

Stock is valued at the lower of cost and estimated selling price less cost to complete and sell using a weighted average method.

12 CREDITORS : amounts falling due within one year

	2024	2023
	£	£
Loans (note 13)	714,779	1,783,840
Trade creditors	2,720,409	1,677,530
HAG	977,572	955,572
Lead Tenancies Major Repairs Provisions	-	9,499
Rent in advance	248,304	241,305
	<u>4,691,064</u>	<u>4,667,746</u>

13 CREDITORS : amounts falling due after more than one year

	2024	2023
	£	£
Loans	41,227,790	41,368,022
Deferred Income	1,428,575	1,428,575
Housing association grants	73,582,186	71,006,450
	<u>116,238,551</u>	<u>113,803,047</u>

Housing property loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments due as follows:

	2024	2023
	£	£
Within one year	714,779	1,783,840
Between one and two years	1,431,486	1,824,589
Between two year and five years	1,006,472	4,874,067
After five years	38,789,832	34,669,366
	<u>41,942,569</u>	<u>43,151,861</u>
Included in creditors: amounts falling due within one year	(714,779)	(1,783,840)
	<u>41,227,790</u>	<u>41,368,022</u>

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2024

13 CREDITORS : amounts falling due after more than one year (cont'd)

Analysis of changes in loan financing during the year:

	2024	2023
	£	£
At 1 st April 2023	43,280,418	44,790,571
New loans taken out	-	-
Amounts repaid	(1,209,293)	(1,510,153)
At 31 st March 2024	<u>41,942,569</u>	<u>43,280,418</u>

Derivatives

The Association is not permitted to enter into speculative transactions with financial instruments. The Association follows the guidance set out by the Scottish Housing Regulator. Any financial instrument entered into by the Association is covered by underlying loans. As part of its Treasury Management Policy the Association may use financial derivatives to achieve interest rate certainty. At 31st March 2024, the Association had no interest rate swaps.

14 SHARE CAPITAL

	2024	2023
	£	£
Shares of £1 each		
At 1 st April 2023	48	45
Issued	3	3
Cancelled	(16)	-
At 31 st March 2024	<u>35</u>	<u>48</u>

15 REVENUE RESERVE

The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2024

16 CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	£	£
Surplus for year	3,163,993	3,377,354
Depreciation and impairment of tangible fixed assets	2,804,010	2,695,362
Amortisation of housing association grant	(955,572)	(939,656)
Disposals of tangible fixed assets	(242,691)	-
Decrease in stock	4,749	2,705
Decrease in trade and other debtors	(98,426)	247,809
(Decrease / increase) in trade and other creditors	1,040,378	(778,749)
(Loss) / gain in respect of pension scheme	(618,000)	(576,000)
Increase / (Decrease) in provisions	636,000	381,479
Net cash flow from operating activities	5,734,441	4,410,304

17 ANALYSIS OF CHANGES IN NET DEBT

	At 1 April	Cashflows	At 31 March
	2023		2024
	£	£	£
Cash at Bank and in Hand	7,713,235	(1,815,411)	5,897,825
	7,713,235	(1,815,411)	5,897,825
Debt Due within one year	(1,783,840)	-	(714,779)
Debt Due after one year	(41,368,022)	140,232	(41,227,790)
Total	(35,438,627)	(606,117)	(36,044,744)

18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2024	2023
	£	£
Decrease in cash in the year	(1,815,411)	(2,508,239)
Decrease in short term deposits in the year	-	(825,140)
	(1,815,411)	(3,333,379)
Cash Inflow from increase in net debt	140,232	1,545,956
	(606,117)	(1,823,227)
Net Debt at 1 st April 2023	(35,438,627)	(35,438,627)
Net Debt at 31 st March 2024	(36,044,744)	-

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2024

19 RETIREMENT BENEFITS

The Association participates in the Scottish Housing Associations' 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 30th 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 pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. A Recovery Plan has been put in place to eliminate the deficit, which runs to 28th February 2022 for the majority of employers, although certain employers have different arrangements.

The Scheme is classified as a "last man standing" arrangement." Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28th February 2019 it has not been possible for the Association to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme, therefore the Association has accounted for the Scheme as a defined contribution Scheme.

For financial years ending on or after 31st March 2019 it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme.

For accounting purposes two actuarial valuations for the Scheme were carried out with effective dates of 31 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used to calculate the Association's net deficit or surplus at the accounting period start and end dates.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2024

19 RETIREMENT BENEFITS (continued)

Fair value of plan assets, present value of defined Benefit obligation, and defined benefit asset (liability)

	2024	2023
	£(000's)	£(000's)
Fair value of plan assets	7,134	7,402
Present value of defined benefit obligation	8,151	7,783
Surplus / (Deficit) in plan	(1,017)	(381)
Unrecognised surplus	-	-
Defined benefit asset / (liability) to be recognised	(1,017)	(381)

Reconciliation of the impact of the Asset Ceiling

	2024
	£(000's)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (Gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

Reconciliation of opening and closing balances of the defined benefit obligation

	2024
	£(000's)
Defined benefit obligation at start of period	7,783
Current service cost	-
Expenses	12
Interest Expense	374
Contributions by plan participants	-
Actuarial losses (gains) due to experience	292
Actuarial losses (gains) due to changes in demographic assumptions	(45)
Actuarial losses (gains) due to changes in financial assumptions	(83)
Benefits paid and expenses	(182)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined Benefit obligation at end of period	<u>8,151</u>

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2024

19 RETIREMENT BENEFITS (continued)

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

	2024 £(000's)
Fair value of plan assets at start of period	7,402
Interest income	356
Experience on plan assets (excluding amounts included in interest income- gain / (loss)	(454)
Contributions by Employer	12
Contributions by plan participants	-
Benefits paid and expenses	(182)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rates change	-
	<hr/>
Fair value of plan assets at end of period	7,134
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The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was £98,000.

Defined benefit costs recognised in statement of comprehensive income (SoCI)

	2024 £(000's)
Current service cost	-
Expenses	12
Net interest expense	18
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
	<hr/>
Defined benefit costs recognised in statement of comprehensive income (SoCI)	30
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NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2024

19 RETIREMENT BENEFITS (continued)

Defined Benefit Costs recognised in other comprehensive income

	2024 £(000's)
Experience on plan assets (excluding amounts included in net interest cost – gain (loss))	(454)
Experience gains and losses arising on the plan liabilities – gain (loss)	(292)
Effects of changes in the demographic assumptions underlying the present value Of the defined benefit obligation – gain (loss)	45
Effects of changes in the financial assumptions underlying the present value Of the defined benefit obligation – gain (loss)	83
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable gains (loss))	(618)
Effect of changes in the amount of surplus that is not recoverable (excluding amounts Included in net interest cost) – gain (loss)	-
Total amount recognised in other comprehensive income – gain (loss)	(618)

20 RELATED PARTY TRANSACTIONS

Two members of the Board are also tenants of the Association (2023 – Two). The tenancies are on the same terms as for other tenants and no advantage can be gained from the position.

During the financial year, Board members were charged rent totalling £10,776 (2023 - £10,250). As at 31 March 2024 £Nil (2023 - £Nil) was due to the Association.

Where members of the Board are also councillors or employees of related local authorities, there are no transactions to disclose that were not made at arm's length or not made under the normal commercial terms.

No Board members received remuneration however members of the management board were reimbursed for out-of-pocket expenses amounting to £915 (2023 - £475).

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2024

21 CAPITAL COMMITMENTS

	2024 £	2023 £
Contracted less certified	1,230,179	2,262,200
Authorised but not contracted	-	-

The Board of Management expects the majority of the expenditure they have authorised to be fully financed by Housing Association Grant from The Scottish Government or by mortgages from private sector lenders.

22 OTHER COMMITMENTS

The Association's total commitments under non-cancellable operating leases are as follows:

	2024 £	2023 £
Other operating leases		
Within one year	32,191	5,702
Between one and five years	83,559	19,771
	115,575	25,473

23 SUBSIDIARIES INFORMATION

Details of the investments in which the company holds more than 10% of the nominal value of any class of share capital are as follows:

Name of Company	Country of Registration or Incorporation	Date of Incorporation	Proportion of Voting Rights	Nature of Business
Subsidiary Undertakings Musselcrag Limited	Scotland	19/08/2010	Wholly Controlled	Dormant since incorporation

24 CONTINGENT LIABILITY

The Association participates in a multi-employer pension scheme. Should the Association leave the scheme, the amount of employer debt has been estimated at £2,607,342 as at 30th September 2023. Currently, there is no plan for leaving the scheme. The Association has taken the decision to close the Defined Benefit structure to all staff, replacing it with the Defined Contribution option, which remains within the SHAPS scheme.