

**EAST KILBRIDE & DISTRICT HOUSING ASSOCIATION LIMITED  
REPORT AND FINANCIAL STATEMENTS  
FOR YEAR ENDED 31 MARCH 2022**

Registered Housing Association No: HAL279

Financial Conduct Authority No: 2463R(S)

A Registered Scottish Charity No: SC033749

# **EAST KILBRIDE HOUSING ASSOCIATION LIMITED**

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**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
THE BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS  
YEAR ENDED 31 MARCH 2022**

**Members of Board**

The members of the Board of the Association during the year to 31 March 2018 and to the date of this report were as follows:

Maureen Watson	Chair	
Lillian Delaney	Secretary	
Andy Bryant	Vice Chair	
Michael Gallagher	Vice Chair	
Kathleen Dredge	Member	
Pauline Hollinsworth	Member	
David Edwards	Member	Resigned August 2021
Maureen Donohoe	Member	
Lisa Irvine	Chair	
David Young	Member	
Andy Bryant	Vice -chair	
Mandy Wright	Member	
Gill Hood	Member	
Michelle Campbell	Co-opted Member	From February 2022
Campbell Hall	Co-opted Member	From February 2022
June Meldrum	Member	From September 2021 to January 2022

**EXECUTIVE OFFICER**

Andy Young                      CEO

**REGISTERED OFFICE**

2 Old Coach Road  
East Kilbride  
G74 4 DP

**AUDITORS**

Anderson Anderson & Brown Audit LLP  
CityPoint 2  
25 Tyndrum Street  
Glasgow  
G4 0JY

**BANKERS**

Lloyds Bank	Clydesdale Bank
2 <sup>nd</sup> Floor	30 St Vincent Place
25 Gresham Street	Glasgow
London	G1 2HL
EC2V 7HN	

**SOLICITORS**

T C Young  
7 West George Street  
Glasgow  
G2 1BA

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
REPORT FROM THE BOARD OF MANAGEMENT, EXECUTIVES AND ADVISORS  
YEAR ENDED 31 MARCH 2022**

The Board of Management presents their report on the audited Financial Statement for the year ended 31 March 2022

**Legal status**

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. HAL279. The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SCO33749.

**Principal activities**

The principal activity of East Kilbride Housing Association limited is to improve the quality of life and serving the needs of local people in east Kilbride and the surrounding area of South Lanarkshire by providing high quality social housing and related services and by assisting them in sustaining and strengthening their communities.

East Kilbride Housing Association Limited is registered with the Financial Conduct Authority as a Friendly Society, the Office of the Scottish Charities Regulator (OSCAR) as a charity and the Social Housing Regulator as a Registered Social landlord.

**Strategy and Objectives**

East Kilbride's Board hold a review day annually to decide on the Association's strategy and objectives for the coming year and this feeds into the business plan. The agreed strategy and objectives for this year are shown below:

1. To secure our financial viability and long-term future by operating efficient, effective, and accountable financial management.
2. To maintain a broad membership base and actively support tenant and community involvement in the running of the Association.
3. To pursue opportunities to develop and expand activities which are financially viable, support our Mission Statement and are compatible with our rules.
4. To increase the provision of varied housing tenures, in partnership with other agencies where necessary.
5. To ensure the fabric of existing stock and design standards of future stock supports independent living and meets tenants' aspirations.
6. To provide caring, cost effective and high-quality services which put customers at the heart of everything we do.
7. To continually assess and increase the range of services offered to our customers.
8. To explore cost effective sustainable energy options to provide lower cost energy bills and reduce carbon emissions.
9. To improve and expand the opportunities for residents to participate in our activities at appropriate levels.
10. To ensure our Board and professional staff have the necessary skills, experience, knowledge, and training to successfully lead and manage the organisation.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
REPORT FROM THE BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS  
YEAR ENDED 31 MARCH 2022**

**Operational Review**

This report details issues which have arisen during the year relating to the main activities undertaken.

**1. Governance**

East Kilbride Housing Association Limited (EKHA) is governed by a voluntary and unpaid Board of Management elected by the members of EKHA. It is the responsibility of the Board to decide on the future direction of the EKHA and undertake the development, monitoring and review of appropriate strategies and policies which support the chosen direction. The Board also monitors the operational activities of the EKHA quarterly and regularly undertakes relevant training and self-assessment of effectiveness of individual Board members and the effectiveness of the Board as a unit.

**2. Corporate Activity**

EKHA carries out a continuous, comprehensive self-assessment programme and a rolling programme of reviewing its policies and activities to ensure they are appropriate and relevant to the agreed strategy, in line with good practice and compliant with current and forthcoming legislation. The Association published its first Strategic Plan (2016-2019) in September 2015, and this was supported by an Operational Plan, which outlined how EKHA intended to fulfil its strategic targets. These plans were amalgamated into one business plan in 2020 and the plan is updated on an annual basis. The latest plan, for 2022-2025, was approved in March 2022.

**3. COVID-19**

EKHA was, like every other organisation, affected by the impact of Covid-19. From March 2020 staff and Board have provided a service for its clients while working from home initially, but subsequently through a hybrid system of working. This is a temporary system at the moment, but it is hoped to formalise new hybrid terms and conditions for staff during 2022/2023. All Board meetings have now reverted to face-to-face, but EKHA's rules have been changed to allow for virtual or hybrid meetings should they become necessary again in the future. In anticipation of the changing world of work, EKHA has established a Redesigning Services Working Group, comprising staff, Board and tenants, and some early progress has been made, including agreeing a revised staffing structure, the introduction of an EKHA 'app', and modifications to certain working practices.

**4. Development**

After several years of not developing any new properties, in 2019 EKHA embarked on a relatively modest ongoing development programme. The first two developments, Dundas Place, consisting of 18 flats, and 22 properties at Redwood Crescent are now complete. A larger site of 49 properties at Murray Court is on site and due to complete in the summer/autumn of 2023, with more in the pipeline.

**5. Housing**

Arrears performance has remained good, despite the impact of Covid. We established a Tenant Fund to mitigate the worst affected by the pandemic. We expect the cost-of-living crisis to impact on our ability to collect rent going forward, and in April 2022 the Board approved the recruitment of a full time Welfare Benefit/Tenancy Sustainment Officer. We will fill this post in the autumn of 2022. Until then, we will continue to buy in the services of a Welfare Benefit Advisor for 3 days per week. In 2021/2022, £294,316.00 was generated in additional income for our tenants through this service.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
REPORT FROM THE BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS  
YEAR ENDED 31 MARCH 2022**

**6. Property Maintenance**

EKHA has implemented and refined its planned and cyclical maintenance programme in line with the EESSH and EESSH 2 Delivery Plan. Landscaping and gas maintenance programmes continued on an annual basis. The planned and cyclical maintenance programme included upgrading smoke alarms and electrical testing to all properties and installed new windows and doors to 28 properties. 26 Boilers were also installed. EKHA's properties all meet the Scottish Housing Quality Standard (SHQS) set out by the Scottish Government and look forward to further enhancing the energy efficiency of our properties in reaching the new EESSH targets. 98% of EKHA properties pass EESSH 1 (December 2020) with EESSH 2 having a target of December 2032 (currently under review).

**7. Finance**

EKHA has continued to refine its financial procedures within the financial year. During 2021 the Board looked at the impact of COVID on its finances monthly. The Annual Budget and long-term financial projections were updated and developed, taking into account key risks of the economic climate with the cost-of-living crisis and proposed developments. The Association secured additional funding from Charities Aid Foundation to fund its development programme.

**8. Other Areas**

**Credit Payment Policy**

EKHA's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period is within 30 days.

**Maintenance Policies**

EKHA seeks to maintain its properties to the highest standard. To this end, programmes of cyclical repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components. It is expected that the cost of all these repairs will be charged to the Income and Expenditure Account.

In addition, EKHA has a long-term programme of major repairs to cover for work which has become necessary since the original development was completed, including works required for subsequent legislative changes. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. The costs of these repairs would be charged to the Income and Expenditure Account, unless it was agreed they could be capitalised within the terms outlined in the Statement of Recommended Practice for Registered Social Landlords.

**Budgetary Process**

Each year the Board of Management approves the annual budget and rolling three-year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Board of Management of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure, and treasury management.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
REPORT FROM THE BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS  
YEAR ENDED 31 MARCH 2022**

**Risk Management**

EKHA has developed a detailed Risk Management Strategy. This is reviewed on an annual basis with individual Risk Assessments being carried out for new areas of activity. An annually reviewed Business Continuity Plan is also in operation. Development was identified as a key risk. EKHA Campbell Thompson were employed to carry out an independent stress test on the finances and then the financial projections were updated to ensure that ongoing viability would not be affected as result of development.

**Treasury Management**

EKHA has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Board of Management. In this way EKHA manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held.

EKHA, as a matter of policy, does not enter into transactions of a speculative nature. At 31 March 2022, EKHA has a mix of fixed and variable rate finance, which it considers appropriate at this time.

**Quality and Integrity of Personnel**

Board members are required to abide by the Board Members Code of Conduct. Annual skills and training audits are implemented with corporate and individual training plans drawn up dependent on training requirements based upon the annual Board self-evaluation. The integrity and competence of staff is ensured through the Chairperson, in respect of the Board and the Chief Executive in respect of staff.

**Employee Involvement and Health and Safety**

EKHA takes seriously its responsibilities to employees and as a policy, provides employees with information on matters of concern to them. It is also the policy of EKHA to consult (where practical to do so) employees or their representatives so that their views may be taken into account in making decisions likely to affect their interests. EKHA also has a comprehensive Health and Safety Policy, the implementation of which is independently audited on a regular basis.

**Disabled Employees**

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with EKHA may continue.

It is the policy of EKHA that training, career development and promotion opportunities should be available to all employees.

**Board Members and Officers' Insurance**

EKHA has purchased and maintains insurance to cover its Board and officers against liabilities in relation to their duties on behalf of EKHA, as authorised by the Association's rules.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
REPORT FROM THE BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS  
YEAR ENDED 31 MARCH 2022**

**Going Concern**

The Board of Management has reviewed the results for this year and has also reviewed the projections for the next five years. It, therefore, has a reasonable expectation that EKHA has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements.

**Future developments**

EKHA will continue with the policy of improving the quality of the housing and housing services within its area of activity working with its existing and new partners. EKHA is currently building 49 properties at Murray Court and has provisional plans for further developments at Alberta Avenue, Bosfield Gardens and Langlands.

**Auditors**

A resolution to re-appoint auditors Anderson Anderson & Brown Audit LLP will be proposed at the Annual General Meeting

**Donations**

A budget of £5,000 donations for the year was agreed at the Annual General Meeting. The distribution of these funds is governed by EKHA's Charitable Donations Policy



**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
REPORT FROM THE BOARD OF MANAGEMENT, EXECUTIVE & ADVISORS  
YEAR ENDED 31 MARCH 2022**

**Statement of Board's responsibilities**

The Co-operative and Community Benefit Societies Act 2014 requires the Board to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of EKHA and of the surplus or deficit of the Association for that year. In preparing those financial statements, the Board is required to:-

- Select suitable accounting policies and the 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 the going concern basis unless it is inappropriate to presume that EKHA will continue in business;
- Prepare a statement on internal financial control.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of EKHA and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – 2019. They are also responsible for safeguarding the assets of EKHA and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring that EKHA's suppliers are paid promptly.

The Board must in determining how amounts are presented within items in the Statement of comprehensive income and Statement of financial position have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practises.

In so far as the Board is aware:

- There is no relevant audit information (information needed by EKHA's auditors in connection with preparing their report) of which EKHA's auditors are unaware, and
- The Board has taken all steps that it ought to have taken to make it aware of any relevant audit information and to establish that EKHA's auditors are aware of that information.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
REPORT FROM THE BOARD OF MANAGEMENT, EXECUTIVE & ADVISORS  
YEAR ENDED 31 MARCH 2022**

**Statement on internal financial control**

The Board acknowledges its ultimate responsibility for ensuring that EKHA 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 EKHA, or for publication;
- The maintenance of proper accounting records; and
- The safeguarding of assets against unauthorised use or disposition.

It is the Board'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 EKHA'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 EKHA'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 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 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;
- The Board receives reports from the EKHA leadership team 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 EKHA is undertaken; and
- Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Board has reviewed the effectiveness of the system of internal financial control in existence in EKHA for the year ended 31 March 2022. 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.

By order of the EKHA Board

Signature



Date: 

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
REPORT BY THE AUDITORS TO THE BOARD OF EAST KILBRIDE HOUSING ASSOCIATION  
LIMITED ON CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH 2022**

In addition to our audit of the financial statements, we have reviewed your statement on page 8 concerning EKHA'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 relating to corporate governance matters within Bulletin 2006/5 issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of EKHA's procedures for ensuring compliance with guidance notes, nor to investigate the appropriateness of the reasons 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 with the publication "Our Regulatory framework" and associated regulatory advice notes 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 and officers of EKHA, and examination of relevant documents, we have satisfied ourselves that The Board's statement on internal financial control appropriately reflects EKHA's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls within the publication "Our regulatory Framework" and associated regulatory advice notes issued by the Scottish Housing Regulator in respect of internal financial controls.

  
Anderson Anderson & Brown Audit LLP  
Statutory Auditors  
GLASGOW  
Date: 26 September 2022

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
INDEPENDENT AUDITORS TO THE BOARD OF EAST KILBRIDE HOUSING ASSOCIATION  
LIMITED FOR THE YEAR ENDED 31 MARCH 2022**

**Opinion**

We have audited the financial statements of East Kilbride and District Housing Association Limited (The Association) for the year ended 31 March 2022 which comprise the statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flows 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 in the United Kingdom Accounting Standards including FRS 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 2022 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 properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements - February 2019, the Charities and Trustee Investment (Scotland) Regulations 2006 (as amended).

**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 financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our 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 concluded that the Boards 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 for the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information contained in the trustees' report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, we don't express any form of assurance conclusion thereon.

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 appear 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 in 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.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
INDEPENDENT AUDITORS TO THE BOARD OF EAST KILBRIDE HOUSING ASSOCIATION  
LIMITED FOR THE YEAR ENDED 31 MARCH 2022**

**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:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of the Board**

As explained more fully in the Board's responsibilities statement set on page 7, 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 determines 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 relating to going concern and using the going concern basis of accounting unless the Board members either intend to liquidate EKHA or to cease operation, 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 Auditors' 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:

We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulation 2006 (as amended).

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
INDEPENDENT AUDITORS TO THE BOARD OF EAST KILBRIDE HOUSING ASSOCIATION  
LIMITED ON CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH 2022**

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the Association's key performance indicators to meet targets
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the Association needs to comply with for the purpose of trading

Our audit procedures to respond to these risks included:


- Testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing judgements made by management in their calculation of accounting estimates for potential management bias
- Enquiries of management about litigation and claims and inspection of relevant correspondence
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations
- Analytical procedures to identify any unusual or unexpected trends or relationship;
- Reviewing minutes of meetings of those charged with governance to identify any matters indicating actual or potential fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

  
Anderson Anderson & Brown Audit LLP  
Statutory Auditors  
Citypoint 2  
25 Tyndrum Street  
Glasgow  
G4 0JY  
Date: 26 September 2022

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
Turnover	2	3,043,559	2,932,448
Operating expenditure	2	<u>(2,210,971)</u>	<u>(2,124,545)</u>
<b>Operating surplus</b>	2	832,588	807,903
Loss on disposal of asset	7	(4,911)	-
Interest receivable and other similar income		4,438	10,862
Interest and financing costs	8	<u>(186,899)</u>	<u>(213,840)</u>
<b>Surplus For The Year</b>		645,216	604,925
<b>Other Comprehensive income</b>			
Actuarial Gains/(losses) in respect of Defined Benefit pension scheme	23	202,515	(350,058)
<b>Total Comprehensive Income</b>		<u>847,731</u>	<u>254,867</u>

The results relate wholly to continuing activities.

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

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

	Notes	2022 £	2021 £
<b>Non-Current Assets</b>			
Housing properties	11(a)	24,551,454	23,167,708
Other fixed assets	11(b)	629,338	647,072
		<u>25,180,792</u>	<u>23,814,780</u>
<b>Current assets</b>			
Debtors	13	914,835	238,221
Current asset investments		630,355	625,973
Cash at bank and in hand		2,059,143	2,388,654
		<u>3,604,333</u>	<u>3,252,848</u>
<b>Creditors</b>			
Creditors: amount falling due within one year	14	(1,331,267)	(832,116)
		<u>2,273,066</u>	<u>2,420,732</u>
<b>Net current assets</b>			
<b>Total assets less current liabilities</b>		<u>27,453,858</u>	<u>26,235,512</u>
Creditors: amounts falling due after more than one-year housing property loans	15	(7,391,491)	(7,494,380)
Provisions for liabilities:			
Pension – defined benefit liability	23	(14,518)	(280,000)
Other provisions		-	(11,170)
<b>Deferred Income</b>			
Social Housing Grants	18	(12,289,000)	(11,538,844)
		<u>7,758,849</u>	<u>6,911,118</u>
<b>Total net assets</b>			
<b>Reserves</b>			
Share capital	19	130	130
Income and expenditure reserve		7,758,719	6,910,988
		<u>7,758,849</u>	<u>6,911,118</u>
<b>Total reserves</b>			

The financial statements were approved by the Board, authorised for issue, and signed on its behalf on 21 September 2022

The Notes on page 17 to 37 form part of these financial statements



**EAST KILBRIDE HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF CASHFLOWS**  
**AS AT 31 MARCH 2022**

Notes		2022	2021
	£	£	£
<b>Net cash inflow from operating activities</b>	16	961,004	1,733,748
<b>Investing activities</b>			
Acquisition and construction of housing properties	11a	-	-
		2,070,818	1,427,385
Purchase of other fixed assets	11b	(6,538)	-2,435
Loss on disposal of asset	7	(4,911)	-
Social Housing Grant Received	18	1,047,959	627,127
<b>Net cash (outflow) investing activities</b>		<b>1,034,308</b>	<b>-802,693</b>
<b>Net cash (outflow) before financing</b>		<b>(73,304)</b>	<b>931,055</b>
<b>Financing activities</b>			
Issue of ordinary share	19	-	3
Interest received		4,438	10,862
Interest paid	8	(186,899)	(213,840)
Movement in borrowings	15	(69,364)	34,196
<b>Net cash outflow from financing</b>		<b>(251,825)</b>	<b>(168,779)</b>
<b>(Decrease)/Increase in cash</b>		<b>-325,129</b>	<b>762,276</b>
Opening cash and cash equivalents		3,014,627	2,252,351
Closing cash and cash equivalents		2,689,498	3,014,627

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
STATEMENT OF CHANGES IN CAPITAL AND RESERVES  
FOR THE YEAR ENDED 31 MARCH 2022**

	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Total</b>
	<u>£</u>	<u>£</u>	<u>£</u>
Balance as at 1 April 2021	130	6,910,988	6,911,118
Issue of shares	3	-	3
Cancelled shares	(3)	-	(3)
Surplus for year	-	645,216	645,216
Other comprehensive income	<u>-</u>	<u>202,515</u>	<u>202,515</u>
Balance as at 31 March 2022	<u>130</u>	<u>7,758,719</u>	<u>7,758,849</u>

	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Total</b>
	<u>£</u>	<u>£</u>	<u>£</u>
Balance as at 1 April 2020	130	6,656,121	6,656,251
Issue of shares	3	-	3
Cancelled shares	(3)	-	(3)
Surplus for year	-	604,925	604,925
Other comprehensive income	<u>-</u>	<u>(350,058)</u>	<u>(350,058)</u>
Balance as at 31 March 2021	<u>130</u>	<u>6,910,988</u>	<u>6,911,118</u>

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
NOTES TO THE FINANCIAL STATEMENTS**

**1. Principal accounting policies**

**Legal status**

EKHA is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered by the Financial Conduct Authority. EKHA is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

**Basis of accounting**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 of The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for Social Housing Providers 2014 and comply with the requirements of the Determination of Housing requirements 2019 as issued by the Scottish Housing Regulator.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying EKHA's accounting policies (see below).

The following principal accounting policies have been applied:

**Going concern**

The Board has reviewed the results for this year and has also reviewed the projections for the next 5 years.

On that basis the Board has a reasonable expectation that EKHA has adequate resources to remain in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Revenue**

EKHA recognises rent receivable net of losses from voids. Service charge income (net of voids) is recognised as expenditure as 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 it relates.

**Retirement benefits**

EKHA participates in the Scottish Housing Defined Benefits Pension Scheme and retirement benefits to employees 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 associations taken as a whole.

EKHA accounts for the pension scheme on a defined benefit basis on its share of scheme assets and liabilities as determined by the actuary. Defined benefit costs are recognised in the statement of comprehensive income within operating costs. Actuarial gains and losses are recognised in other comprehensive income. Further details are disclosed in the notes to the accounts.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
NOTES TO THE FINANCIAL STATEMENTS**

**1. Principal accounting policies (continued)**

**Valuation of housing properties**

Housing properties are stated at cost less accumulated depreciation. Housing under construction and land are not depreciated. EKHA depreciates housing properties by the major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as housing properties within note 11(a). Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

<b>Component</b>	<b>Useful economic life</b>
Land	Not depreciated
Structure	50 years
Electrical wiring	25 years
Windows	30 years
Bathrooms	25 years
Kitchens	15 years
Heating (boilers and radiators)	15 years
External doors	20 years

**Depreciation and impairment of other non-current assets**

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

Office premises	2% Straight Line
Computer equipment	33.3% straight line
Office equipment	33.3% straight line

The carrying value of non-current assets are reviewed for impairment at the end of each reporting year.

**Social Housing Grant and other grants in advance/arrears**

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 it relates.

Social Housing Grant attributed to individual components is written off to the income and expenditure account when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the income and expenditure account in the same year as the expenditure to which it relates.

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

**Sales of housing properties**

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

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
NOTES TO THE FINANCIAL STATEMENTS**

**1. Principal accounting policies (Continued)**

Disposals under shared equity schemes are accounted for in the statement of comprehensive income. The remaining equity in the property is treated as a non-current investment, which is matched with the grant received.

**Estimation uncertainty**

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Board to exercise judgement in applying EKHA's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, is disclosed below:

**Rent arrears – bad debt provision**

EKHA assesses the recoverability of rent arrears through a detailed assessment process which considers tenant payment history, arrangements in place, and court action.

**Life cycle of components**

EKHA estimates the useful lives of major components of its housing properties with reference to surveys carried out by external qualified surveyors.

**Useful lives of other fixed assets**

The useful lives of other fixed assets are based on the knowledge of the leadership team at EKHA with reference to expected asset life cycles.

**Pension liabilities**

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.

**Costs of shared ownership**

EKHA allocates costs to shared ownership properties on a percentage basis split across the number of properties EKHA owns.

**Leases/leased assets**

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.

**Works to existing properties**

EKHA 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.

**Development interest**

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
NOTES TO THE FINANCIAL STATEMENTS**

**1. Principal accounting policies (Continued)**

**Key judgements made in the application of accounting policies**

**a) The categorisation of housing properties**

In the judgement of the Board the entirety of EKHA'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 Association considers its cash-generating units to be the entire housing portfolio in which it manages its housing properties for asset management purposes.

**c) Pension liability**

In May 2020, EKHA received details from the Pensions Trust of its share of assets, liabilities and scheme deficit. EKHA has used this information as the basis of the pension defined benefit liability as disclosed in these accounts. The Board considers this is the best estimate of their scheme liability.

**Financial instruments – basic**

EKHA only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like rents, accounts receivable and payable, loans from the banks and parties.

These are recognised in accordance with Section 11 of Financial Reporting Standard 102.

EKHA's debt instruments are measured at amortised cost using the effective interest rate method.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED  
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
 NOTES TO THE FINANCIAL STATEMENTS**

**2. Particulars of turnover, operating costs and operating surplus**

	<b>Note</b>	<b>Turnover £</b>	<b>Operating Costs £</b>	<b>Operating Surplus 2022 £</b>	<b>Operating Surplus 2021 £</b>
Social letting activities	<b>3</b>	2,953,164	(2,107,344)	845,820	828,634
Other activities	<b>4</b>	90,395	(103,627)	(13,232)	(20,731)
<b>Total</b>		<u>3,043,559</u>	<u>2,210,971</u>	<u>832,588</u>	<u>807,903</u>
<b>Total for previous reporting period</b>		<u>2,932,448</u>	<u>(2,124,545)</u>	<u>807,903</u>	

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**3. Particulars of income and expenditure from social lettings**

	<b>General Needs Social Housing £</b>	<b>Supported Social Housing Accom- modation £</b>	<b>2022 Total £</b>	<b>2021 Total £</b>
<b>Revenue from lettings</b>				
Rent receivable net of service charges	2,619,826	9,458	2,629,284	2,562,488
Service charges	29,698	107	29,805	25,947
Gross rents receivable	<u>2,649,524</u>	<u>9,565</u>	<u>2,659,089</u>	<u>2,588,435</u>
Less: rent losses from voids	(3,730)	-	(3,730)	(5,829)
Net income from rents receivable	2,645,794	9,565	2,655,359	2,582,606
Amortisation of social housing & other grants	296,734	1,071	297,805	323,221
Other revenue grants	-	-	-	-
<b>Total income from social letting</b>	<u>2,942,528</u>	<u>10,636</u>	<u>2,953,164</u>	<u>2,905,827</u>
<b>Expenditure on social letting activities</b>				
Management and maintenance administration costs	1,083,521	3,912	1,087,433	1,060,954
Service costs	26,395	95	26,490	10,794
Planned and cyclical maintenance including major repairs costs	163,551	590	164,141	219,077
Reactive maintenance costs	140,695	508	141,203	99,011
Bad debts – rents and service charges	1,000	4	1,004	6,835
Depreciation of affordable let properties	684,602	2,421	687,073	680,522
Impairment of affordable let properties	-	-	-	-
<b>Operating costs for affordable letting activities</b>	<u>2,099,764</u>	<u>7,530</u>	<u>2,107,344</u>	<u>2,077,193</u>
<b>Operating surplus/(deficit) for affordable letting activities</b>	<u>842,764</u>	<u>3,106</u>	<u>845,820</u>	<u>828,634</u>
<b>Operating surplus for affordable letting activities 2021</b>	<u>825,625</u>	<u>3,009</u>	<u>828,634</u>	



**EAST KILBRIDE HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**4. Particulars of income and expenditure from other activities**

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other Income	Total Turnover	Operating costs – bad debts	Other operating costs	Operating Surplus/ (deficit) 2022	Operating Surplus/ (deficit) 2021
	£	£	£	£	£	£	£	£	£
Stage 3 Adaptations	24,191	-	-	-	24,191	-	24,191	-	6,755
Wider role	-	13,119	-	-	13,119	-	3,500	9,619	-
Investment property activities	-	-	-	53,085	53,085	-	75,936	(22,851)	-
Other activities	-	-	-	-	-	-	-	-	(27,496)
<b>Total from other activities</b>	<b>24,191</b>	<b>13,119</b>	<b>-</b>	<b>53,085</b>	<b>90,395</b>	<b>-</b>	<b>103,627</b>	<b>(13,232)</b>	<b>(20,731)</b>
<b>Total from other activities 2021</b>	<b>5,255</b>	<b>4,500</b>	<b>-</b>	<b>16,866</b>	<b>26,621</b>	<b>-</b>	<b>(47,352)</b>	<b>(20,731)</b>	

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**5. Board members and officers' emoluments**

The officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Board, leadership team and employees of EKHA.

	2022 £	2021 £
Aggregate emoluments payable to officers with Emoluments greater than £60,000 (excluding Pension contributions)	69,796	67,968
The emoluments of the CEO (excluding pension contributions)	69,796	67,968
Pension contributions paid on behalf of the CEO	13,175	13,149

The number of officers, including the highest paid officer who received emoluments (excluding employer pension contributions) in excess of £60,000 during the reporting period fell within the following ranges:

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

There were payments to Board members during the year of £285 for reimbursement of expenses (2021 - £17).

Aggregate emoluments payable to key Management personnel & expenses (excluding pension)	<u>233,165</u>	<u>231,773</u>
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**6. Employees information**

	2022 £	2021 £
Staff costs during the year:		
Wages and salaries	498,546	538,421
Social security costs	52,884	56,870
Other pension costs	76,313	78,286
	<u>627,743</u>	<u>673,577</u>

	No	No
The average monthly number of full-time equivalent persons) employed by the Association during the year was:	<u>13</u>	<u>14</u>

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

<b>7. Loss on sale of asset</b>	<b>2022</b>	<b>2021</b>
Disposals	<u>(4,911)</u>	=
<b>8. Interest payable and similar charges</b>	<b>2022</b>	<b>2021</b>
	£	£
Bank loans and overdrafts	<u>186,899</u>	<u>213,840</u>
<b>9. Operating surplus for the year</b>	<b>2022</b>	<b>2021</b>
	£	£
Surplus is stated after charging:		
Loss on disposal of asset	4,911	-
Depreciation of tangible owned fixed assets	706,434	699,867
Auditors' remuneration - audit services	12,600	8,034
- Other services	-	965
Operating lease rentals - land and buildings	6,561	2,025
Amortisation of capital grants	<u>297,805</u>	<u>323,221</u>

**10. Tax on surplus/(deficit) on ordinary activities**

EKHA is a Registered Scottish Charity and is exempt from corporation tax on its charitable activities.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**11a) Non-current assets**

	<b>Housing Properties held for Letting</b>	<b>Housing properties in the course of construction</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At start of the year	28,358,531	2,917,537	31,276,068
Additions	255,760	1,815,058	2,070,818
Disposals	(257,652)	-	(257,652)
Transfers to stock	-	-	-
At end of year	<u>28,356,639</u>	<u>4,732,595</u>	<u>33,089,234</u>
<b>Depreciation</b>			
At start of year	8,108,360	-	8,108,360
Charge during year	687,073	-	687,073
Eliminate on disposal	(257,652)	-	(257,652)
At end of year	<u>8,537,781</u>	<u>-</u>	<u>8,537,781</u>
<b>Net book value</b>			
At end of year	<u>19,818,858</u>	<u>4,735,595</u>	<u>24,551,453</u>
At start of year	<u>20,250,171</u>	<u>2,917,537</u>	<u>23,167,708</u>

1 Impairment charges - £nil.

2 Capitalised development administration costs - £nil.

3. Total expenditure on existing properties in the year amounted to £630,264 (2021- £525,628). The amount capitalised is £255,760 (2021 - £208,692) within the balance charged to the Statement of Comprehensive income. The amount capitalised was spent of component replacements.

4 EKHA's lenders have standard securities over housing properties with a carrying value of £29,280,000 (2021 - £19,489,000).

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**11b. Non-current assets continued**  
**Other tangible assets**

	<b>Fixtures &amp; Fittings £</b>	<b>Office premises £</b>	<b>Total £</b>
<b>Cost</b>			
At start of the year	112,580	799,299	911,879
Additions	6,538	-	6,538
Disposals	(110,616)	-	(110,616)
At end of year	<u>8,502</u>	<u>799,299</u>	<u>807,801</u>
<b>Depreciation</b>			
At start of year	105,875	158,932	264,807
Charge for year	3,375	15,986	19,361
Disposals	(105,705)	-	(105,705)
As at 31 March 2022	<u>3,545</u>	<u>174,918</u>	<u>178,463</u>
<b>Net book value</b>			
At end of year	<u>4,957</u>	<u>624,381</u>	<u>629,338</u>
At start of year	<u>6,705</u>	<u>640,367</u>	<u>647,072</u>

**12. Commitments under operating leases**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At the year end, the total future minimum lease payments under non – cancellable operating leases were as follows:		
Not later than one year	6,561	2,025
Later than one year and not later than five years	6,465	3,148
Later than five years	-	-
	<u>13,026</u>	<u>5,173</u>

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

<b>13. Debtors</b>		
	<b>2022</b>	<b>2021</b>
	£	£
Arrear of rent & service charges	228,820	102,641
Less: provision for doubtful debts	<u>(75,800)</u>	<u>(14,629)</u>
	153,020	88,012
Prepayments and accrued income	54,177	105,471
Social housing grant receivable	663,686	-
Other debtors	<u>43,952</u>	<u>44,738</u>
	<u>914,835</u>	<u>238,221</u>

**14. Creditors amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	£	£
Rent in advance	31,918	44,457
Housing loans	365,736	331,405
Trade payables	274,476	149,850
Other taxation and social security	6,189	29,120
Other payables	104,938	92,467
Accruals	<u>548,010</u>	<u>184,817</u>
	<u>1,331,267</u>	<u>832,116</u>

**15. Creditors falling due after one year**

	<b>2022</b>	<b>2021</b>
Housing loans	<u>7,391,491</u>	<u>7,494,380</u>

EKHA has a number of long-term housing loans, the terms and conditions of which are as follows:

All of EKHA's bank borrowings are repayable on a monthly basis with the principal being amortised.

Loans are secured by specific charges on EKHA's properties. All loans relate to housing properties. Loans are repayable at rates of interest of 0.364% to 5.75%.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**15. Creditors: amounts falling due after one year (continued)**

	<b>2022</b>	<b>2021</b>
	£	£
Bank loans are payable as follows:		
Between one and two years	365,736	362,485
Between two and five years	2,080,163	1,230,110
In five years	5,311,328	5,901,785
	<u>7,757,227</u>	<u>7,494,380</u>

**16 Statement of cash flows**

	<b>2022</b>	<b>2021</b>
Reconciliation of operating surplus to balance As at 31 March 2022		
Operating surplus:	832,588	807,903
Depreciation	706,434	699,867
Amortisation of capital grants	(297,805)	(323,221)
Change in debtors	(676,615)	720,748
Change in creditors	453,142	(103,969)
Deficit contribution	(70,000)	(68,000)
Movement in pension liability	13,771	2,000
Social housing grant released	(511)	(1,577)
Cancelled shares	-	(3)
Balance as at 31 March 2022	<u>961,004</u>	<u>1,733,748</u>

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**17. Analysis of net debt**

	1 April 2021	Cash Flow	Other Charges	31 March 2022
Cash at bank	2,388,654	(329,511)	-	2,059,143
Housing loans due within one year	(331,405)	68,558	(102,889)	(365,736)
Housing loans due after one year	(7,494,380)	-	102,889	(7,391,491)
Current asset investments	625,973	4,382	-	630,355
	<u>(4,811,158)</u>	<u>(256,571)</u>	<u>-</u>	<u>(5,067,729)</u>

**18. Deferred income**

	2022 £	2021 £
Social housing grants	11,538,805	11,234,938
Additions in year	1,047,959	627,127
Amortisation in year	<u>(297,806)</u>	<u>(323,221)</u>
Balance as at 31 March 2022	<u>12,288,998</u>	<u>11,538,844</u>

This is expected to be released to the statement of comprehensive income as follows:

Amounts due within one year	385,459	383,616
Amounts within one year or more	<u>11,903,539</u>	<u>11,155,228</u>
	<u>12,288,998</u>	<u>11,538,844</u>



**EAST KILBRIDE HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**19. Reserves**

**Share Capital**

**Shares of £1 each are issued and fully paid**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
1 April 2021	130	130
Issued in year	3	3
Shares cancelled during the year	<u>(3)</u>	<u>(3)</u>
Shares issued at 31 March 2022	<u>130</u>	<u>130</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.

**20 HOUSING STOCK**

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
The number of units of accommodation in management at the end of the year end was:		
General needs – New build	542	540
Supported housing	<u>14</u>	<u>2</u>
	<u>556</u>	<u>542</u>

**21 RELATED PARTY TRANSACTIONS**

Members of the Board are related parties of EKHA as defined by Financial Reporting Standard 102. The related party relationships of the members of the Board are summarised as:

- 5 Members are EKHA tenants
- No Members are factored owners
- Board members cannot use their position to their advantage. Any transactions between EKHA and any entity with which a Board member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Board members were as follows:

- Rent received from tenants on the Board - £24,339
- At the year-end total rent arrears owed by the tenant members of the Board were - £1,764.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**22 DETAILS OF ASSOCIATION**

EKHA is a Registered Society registered within the Financial Conduct Authority and is domiciled in Scotland.

EKHA's principal place of business is 2 Old Coach Road, East Kilbride.

EKHA is a Registered Social Landlord and Scottish Charity that owns and manages social housing in East Kilbride.

**23 RETIREMENT BENEFIT OBLIGATIONS**

EKHA 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 Pension 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 pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A recovery Plan has been put in place to eliminate the deficit which runs to either 30 September 2022 or 31 March 2023 (depending on funding levels) for the majority of employers, although certain employers have different arrangements.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, EKHA 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 28 February 2019, it has not been possible for EKHA to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore EKHA has accounted for the Scheme as a defined contribution scheme.

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

For accounting purposes, a valuation for the scheme was carried out with effective date of 30 September 2018. The liability figures from each valuation are rolled forward for accounting year ends from 31 March 2019 to 29 February 2020 inclusive.

Similarly, actuarial valuations of the scheme were carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive, and as at 30 September 2020 to inform the liabilities for accounting year ends from March 2021 to 28 February 2022 inclusive.

The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

**EAST KILBRIDE HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**23 RETIREMENT BENEFIT OBLIGATIONS**

**FAIR VALUE OF PLAN ASSETS, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION, AND DEFINED BENEFIT ASSET (LIABILITY)**

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Fair value of plan assets	2,670	2,449
Present value of defined benefit obligation	2,685	2,729
Surplus (deficit) in plan	(15)	(280)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(15)	(280)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	-	-

\* to be completed by the employer if required

**RECONCILIATION OF THE IMPACT OF THE ASSET CEILING**

	<b>Period ended 31 March 2022</b>	<b>Period ended 31 March 2021</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Impact of asset ceiling at start of period	-	12
Effect of the asset ceiling included in net interest cost	-	1
Actuarial losses (gains) on asset ceiling	-	(13)
Impact of asset ceiling at end of period	-	-

**RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION**

	Period ended 31 March 2022	Period ended 31 March 2021
	(£000s)	(£000s)
Defined benefit obligation at start of period	2,729	2,262
Current service cost	-	0
Expenses	2	2
Interest expense	60	53
Member contributions	-	0
Actuarial losses (gains) due to scheme experience	138	(95)
Actuarial losses (gains) due to changes in demographic assumptions	8	0
Actuarial losses (gains) due to changes in financial assumptions	(245)	514
Benefits paid and expenses	(7)	(7)
Liabilities acquired in a business combination	-	0
Liabilities extinguished on settlements	-	0
Losses (gains) on curtailments	-	0
Losses (gains) due to benefit changes	-	0
Exchange rate changes	-	0
Defined benefit obligation at end of period	2,685	2,729

**RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS**

	Period ended 31 March 2022	Period ended 31 March 2021
	(£000s)	(£000s)
Fair value of plan assets at start of period	2,449	2,274
Interest income	55	54
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	103	60
Employer contributions	70	68
Member contributions	-	-
Benefits paid and expenses	(7)	(7)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	2,670	2,449

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2021 to 31 March 2022 was £158,000.

**DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME  
(SOI)**

	<b>Period from 31 March 2021 to 31 March 2020</b>	<b>Period from 31 March 2020 to 31 March 2021</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Current service cost	-	-
Expenses	2	2
Net interest expense	5	-
Losses (gains) on business combinations	-	-
Losses (gains) on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Defined benefit costs recognised in Statement of Comprehensive Income (SOI)	7	2

**DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)**

	<b>Period ended 31 March 2022</b>	<b>Period ended 31 March 2021</b>
	<b>(£000s)</b>	<b>(£000s)</b>
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	103	60
Experience gains and losses arising on the plan liabilities - gain (loss)	(138)	95
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(8)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	245	(514)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	202	(359)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	13
Total amount recognised in Other Comprehensive Income - gain (loss)	202	(346)

**ASSETS**

	31 March 2022	31 March 2021
	(£000s)	(£000s)
Global equity	528	379
Absolute return	122	121
Distressed opportunities	96	84
Credit relative value	86	71
Alternative risk premia	110	98
Emerging markets debt	99	99
Risk sharing	87	87
Insurance-linked securities	56	51
Property	69	44
Infrastructure	167	137
Private debt	67	58
Opportunistic illiquid credit	89	63
High yield	26	64
Opportunistic credit	9	67
Cash	7	1
Corporate bond fund	169	185
Liquid credit	17	42
Long lease property	77	57
Secured income	143	134
Over 15 year gilts	1	1
Liability driven investment	646	588
Currency hedging	(10)	-
Net current assets	9	18
Total assets	2,670	2,449

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

**KEY ASSUMPTIONS**

	31 March 2022	31 March 2021
	% per annum	% per annum
Discount rate	2.79%	2.20%
Inflation (RPI)	3.51%	3.25%
Inflation (CPI)	3.16%	2.87%
Salary growth	4.16%	3.87%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.6
Female retiring in 2022	23.9
Male retiring in 2042	22.9
Female retiring in 2042	25.4

<b>24. Capital commitments</b>	<b>2022</b>	<b>2021</b>
Expenditure contracted but not provided for in accounts	<u>6,083,646</u>	<u>958,464</u>
Funded by:		
Social housing grant	2,237,077	2,818
Private finance	3,456,569	877,650
Other public subsidy	-	-
Reserves	<u>390,000</u>	<u>77,996</u>
	<u>6,083,646</u>	<u>958,464</u>

