

LINK HOUSING ASSOCIATION LIMITED



LINKHOUSING

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2023

**Registered Society and Financial Conduct Authority
Registration No: 8793**

The Scottish Housing Regulator No: 364

LINK HOUSING ASSOCIATION LIMITED**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

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BOARD OF MANAGEMENT, DIRECTOR, AND ADVISORS

BOARD OF MANAGEMENT

P Pyke (Chair)
K Hewie (Vice Chair)
A Shute
D Robinson
E Porter
I Ahmad (Appointed 21 July 2022)
P Matthews (Appointed 21 July 2022)
B Lees (Appointed 21 July 2022)
A Campbell (Appointed 21 July 2022)
A Sadowski (Appointed 21 July 2022)
A Donoghue (Resigned 29 April 2022)
F Payne (Resigned 30 April 2022)
J Harvey (Resigned 4 May 2022)
J Jamieson (Resigned 21 September 2022)
J Armour (Appointed 21 July 2022 and Resigned 26 January 2023)

KEY MANAGEMENT PERSONNEL

David Mackenzie – Managing Director

AUDITOR	INTERNAL AUDITOR	SECRETARY	BANKER
RSM UK Audit LLP Third Floor, 2 Semple Street, Edinburgh, EH3 8BL	Azets Exchange Place 3 Semple Street Edinburgh EH3 8BL	Link Group Ltd Link House 2c Newmart Road Edinburgh EH14 1RL	Bank of Scotland 75 George Street Edinburgh EH2 3EW

SOLICITORS

Harper McLeod LLP 8 Melville Street Edinburgh EH3 7NS	Addleshaw Goddard LLP Exchange Tower 19 Canning Street Edinburgh EH3 8EH	Kelly & Co 184 Abercromby Street Glasgow G40 2RZ
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REGISTERED OFFICE	WEB SITE	E-MAIL
Link House 2C New Mart Road Edinburgh EH14 1RL	www.linkhousing.org.uk	linkhousing@linkhousing.org.uk

LINK HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2023

The Board of Link Housing Association Limited, “the Association,” presents its report and audited financial statements for the year ended 31 March 2023.

Principal Activity

The Association is wholly owned by Link Group Limited, and its principal activity is to provide a management and maintenance service to tenants, owner-occupiers, sharing owners, and to Link Group.

The Association was converted from a Company Limited by Shares to a Cooperative and Community Benefit Society on the 17 January 2022. Thereafter, the Association became a Registered Social Landlord (RSL) on 4 October 2022. This is part of a wider group re-structure and will better reflect the Association’s role within the group.

The Association is responsible for the housing and asset management of 10,324 (2022: 10,006) social rented homes. The Association manages six sheltered housing complex developments and six retirement plus housing complex developments.

The Association offers three different models of housing for older people with a total of 499 (2022: 499) properties.

- ✓ Sheltered Housing (183 (2022: 183) properties) – Care Inspectorate registered with a full-time staff member Monday to Friday
- ✓ Retirement Plus Housing (141 (2022: 141) properties) – deregistered from Care Inspectorate in July 2019 after the withdrawal of local authority housing support funding. Part time staff member on site Monday to Friday
- ✓ Retirement Housing (175 (2022: 175) properties) – new build housing.

Prior to 1 April 2022 the Association managed over 430 sharing owners on behalf of Link Group Limited and provided services to more than 4,000 owners. From 1 April 2022 onwards the management of Link Group Limited’s Commercial Portfolio transferred to C-urb 6 Ltd (formerly known as Link Property Ltd). This is disclosed as discontinued activities throughout the accounts. As a result the Association no longer undertakes any commercial trading activities, and focusses entirely on the management and maintenance of Link Group stock.

The Association aims to provide value for money and demonstrate its accountability and transparency in all the advice, support, and services that it delivers.

Strategic Objectives 2023/24

The Association has developed a housing strategy called Link Together, in collaboration with its RSL partner organisations Link Group Limited, Horizon Housing Association Limited, Larkfield Housing Association Limited, and West Highland Housing Association Limited. The Association has involved staff from across the business to shape and deliver a strategy that reflects its aims, ambitions, and objectives. This strategy provides a clear direction for the Association’s services over the next five years and is based on four themes that support Link Group Limited’s vision.

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

Strategic Objectives 2023/24 (Continued)

The four themes of the Link Together Housing Strategy are, Tenant Led Engagement, Value Led Services, Sustainability and Accountability.

The above themes are underpinned by a set of four principles, which determined the direction of travel for the Association within Link Group Limited over the period 2023 to 2027.

Housing Management 2022/23

The Association has responded to the current cost of living crisis and both our performance and service levels have been maintained throughout 2022/23. The overall results of the reported key performance indicators on page 10-11 are a testament to the efforts of our staff teams, who have continued to operate in a flexible and responsive way during challenging times.

Over the next year we will re-assess our operating model, involving our tenants in any decisions we make. Our overall aim is to be an excellent Landlord and continue to provide support to our tenants across several key areas as outlined in the Link Together Housing Strategy.

As part of the consultation process with former Weslo Housing Management tenants on transferring to Link Group Limited during 2022, a commitment was given to create an Area Board, a member of whom is also a board member of the Association. During 2022/23 the Area Board has grown with two new members joining, and a clear action plan is in place to ensure that tenant commitments are met. A number of successful community events, such as the Bathgate Fun Day took place in 2022/2023, demonstrating the Association's commitment to supporting local groups across West Lothian.

The Association's performance in 2022/23 has remained strong with significant progress in a number of key strategic areas.

In the past year the Association has:

- Restored face to face contact by re-opening our offices to our tenants.
- Ensured the safety of our tenants and Link Group Limited's properties through our compliance framework.
- Delivered a telephony project which also considered wider customer communication options including customer app functionality; omni channel capability; call recording for quality and staff wellbeing purposes; and improved self-service options.
- Developed an Eviction Panel to review all decrees granted by the Courts prior to any enforcement action being taken.
- Developed and implemented safe ways of working guidance and procedures for staff.
- Increased our rental income through new build lets and maintained our arrears position within agreed targets.
- Delivery of a strong customer centred approach and support through wrap around services.
- Found new ways to engage with tenants including introducing digital formats.
- Completed a rent setting policy review in 2022.

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

Housing Management (continued)

- Secured and distributed £275,000 funding from the Scottish Government's Fuel Insecurity fund.
- Introduced Clear Review performance management system across Link Housing to support and develop staff in 2022/23.
- Agreed our Link Together Housing Strategy.
- Developed West Lothian Area Board with a focus on the delivery of the tenant commitments.
- Achieved excellent tenant satisfaction results across a number of key performance indicators.

The Association is committed to tenancy sustainment, Link Housing Association Limited has a comprehensive tenancy sustainment policy, and the following activities demonstrate how this is embedded in housing management practice:

- ✓ Excellent Tenancy Toolkit – provides staff with an increased awareness of tenancy sustainment and how we can support our tenants with diverse needs.
- ✓ Trauma Informed Practice – frontline staff are receiving training on trauma informed practice. Trauma Informed Practice is a strengths-based approach, which seeks to understand and respond to the impact of trauma on people's lives.
- ✓ Help On Managing Everything project (HoME) – HoME is a service delivered to Link Housing tenants by LinkLiving Limited, working with tenants to better manage and maintain their homes and settle into their community.
- ✓ Money and Wellbeing Project – part funded by Scottish Legal Aid Board (SLAB) Debt Journey program. The project provides remote support to tenants who are in debt and experiencing mental health issues and/or are digitally excluded. Self-help coaching is delivered by LinkLiving Limited via telephone or video call.
- ✓ Near Me – using video conferencing to support face to face communication with tenants where remote contact is preferred.
- ✓ LinkGiving Trust – providing emergency assistance to households in crisis.

Rent Levels and Affordability

Our aim is to balance affordability of rents for our tenants with the need for continued investment in properties and services. No minimum rent increases are employed and no above inflation rent increases are assumed.

Link Group Limited's business plan projections incorporate an estimated rate of inflation based on a CPI of inflation target set by the UK Government and Bank of England and that estimate applies throughout the 30-year business planning cycle.

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

Asset Management 2022/2023

The Asset Management Strategy sets out our priorities to ensure Link Group's residential portfolio remains of a high quality and has the appropriate level of investment to ensure its long-term contribution to stable communities and financial viability.

The overall purpose of the Asset Management Strategy is to provide a robust framework within which informed decisions can be made to meet the priorities of the strategy. The strategy comprises of:

- A detailed asset performance reviews dovetailed with environmental and socioeconomic factors to establish a baseline score for each scheme.
- A methodology of weighting and scoring the assets reflecting these indicators.
- A defined ranking of Link stock.
- A plan to ensure an appropriate solution is developed for lower ranked schemes.
- An outline of the assets energy performance and action plan to meet the Energy Efficiency Standard for Social Housing (EESH).
- A protocol for disposing of assets and leases.

There will be a review and refresh of the Asset Management Strategy in 2023/24, which will reflect the partnership with C~urb 6 as the main provider of general maintenance, planned maintenance, and gas servicing and repairs. The strategy will also seek to address the growth in terms of common maintenance involved in Link Group Limited's new build programme and the new features of design that increase our compliance responsibilities.

Link Group Limited will also ensure that we report the performance on repairs and maintenance to the Link Housing Association Limited Board and put in place internal monitoring controls to ensure that the service Link provides to tenants in properties managed by the Association is improved.

Welfare Reform

The Welfare Reform Strategy was reviewed and updated in August 2022 to reflect the current position with only Universal Credit (UC) Managed Migration and the continued roll-out of Scottish Government devolved benefits outstanding from the Welfare Reform Act 2012. The current cost of living and fuel crises in the wake of Brexit and the ongoing war in Ukraine are putting considerable pressure on household budgets, with many tenants struggling to afford their rent and daily essentials such as food and utilities. The March 2023 CPI inflation rate remains at a near 40-year high of 10.1%, with March 2023 food inflation at 19.1% and is one of the main drivers fueling overall inflation, along with energy bills. Financial assistance from both UK and Scottish Governments is welcome to mitigate the latest increase in the energy price cap in October 2022 but is insufficient to cover the additional costs tenants are facing. Link Housing has secured £275k from the Scottish Government's Fuel Insecurity Fund and continues to disburse emergency food and fuel assistance through the LinkGiving Trust. Opportunities for further external funding will continue to be explored both for emergency funding and new projects to address food and fuel poverty. Analysis of rent affordability informs that households in receipt of Universal Credit (UC) and Housing Benefit (HB) are the most significantly impacted,

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

Welfare Reform (continued)

with modelling of all household types demonstrating that rents are not affordable, this is based on the National Housing Federation definition.

Notwithstanding this wider position, Link Group Limited continues to protect its rental income through robust rent account management procedures and the provision of welfare benefits and debt and money advice and support.

The membership and work of the Welfare Reform Group has been refocussed, with representatives from business areas across Link Group attending 6-weekly meetings. A robust work plan has been developed to ensure that actions from the Communities, Tenancy Sustainment, Welfare Reform and Sustainability Strategies are taken forward.

UC and on-going delays in the roll out timetable for managed migration continues to pose a high risk for Link Group and its tenants. The Department for Work and Pensions (DWP) recently released timetable indicates managed migration is not now expected to complete until 2029 and will focus on tax credit claimants in the coming year.

There are robust controls in place to monitor the rent accounts of tenants in receipt of UC, to ensure UC payments are received and provide support to those tenants. Recording measures are reported regularly to Link Group Boards and the Link Group Leadership Team.

Tenancy Sustainment and Support Service

The Association is committed to tenancy sustainment, the principles of which are explained in the Tenancy Sustainment Policy. The following activities demonstrate how this is embedded in housing management practice:

- Fuel Insecurity Fund – in 2023 the Association secured a grant of £275,000 (2022: £116,000) to assist tenants in fuel poverty as a result of the energy crisis. This money was all spent on supporting vulnerable tenants with fuel debt and maintaining payments, winter clothing and energy saving goods.
- Excellent Tenancy Toolkit - provides staff with an increased awareness of Tenancy Sustainment and how we can support our tenants with different needs. This is underpinned by on the job and peer to peer learning via the "Bring Your Own Blurt" lunch and learn sessions. The resources for the toolkit are stored on Linkipedia (Link Group Limited's bespoke intranet), allowing staff to revisit information and to develop their skills and knowledge, when needed. A total of nine sessions were delivered in 2022/23. In 2023/24, we will continue to deliver these sessions to staff.

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

Tenancy Sustainment and Support Service (Continued)

- Trauma Informed Practice – frontline staff are receiving training on Trauma Informed Practice, equipping them with the knowledge and skills to deal more effectively with affected tenants. To date, 58 frontline staff have attended the training and 4 managers have attended the new course for leaders.
- Help On Managing Everything project (HoME) – HoME is a service delivered to the Association tenants by LinkLiving Limited. Project workers adapt to the individual needs of the tenant and provide the help that they need to better manage and maintain their homes and settle into their community. The project was extended to the Paisley area in 2022 with each area housing office now hosting a HoME project worker. An annual report detailing the achievements of the service 2022/23 will be published.
- Business support – the business support function provides monthly analysis and information, of households in receipt of Universal Credit, to housing staff, identifying those tenants most at risk and in need of support.
- Near Me – Near Me is a video conferencing platform, initially delivered by the NHS to support remote medical appointments. The Association staff, including the Advice Team who have their own dedicated waiting rooms to host calls, have access to the platform. A total of 59 meetings with tenants were held via Near Me in 2022. The platform is currently free to all users although it is anticipated that a charge will be introduced.

Going Concern

The Association provides a management service for Link Group Limited and there are no plans to change that arrangement. As of 1 April 2022, the management of the commercial services activities (also including the management of Private Sector Leasing/Mid-Market & Factored Properties), has been transferred to C~urb 6, and the impact of this has been reflected in the budget for 2023/24 and beyond. The Association now prepares a 5-year and 30-year financial business plan which will be updated and approved on an annual basis. The 5-year and 30-year financial business plan was approved in April 2023 by the Association's Board.

The Association Board, after reviewing the Association budgets for 2023/24, including increased costs arising from the cost-of-living crisis, is of the opinion that, taking account of severe but plausible downsides, the Association have adequate resources to continue to meet their liabilities over the period of 12 months from the date of approval of the financial statements.

Strategic Report

In October 2022, the Association Board met to consider the current Business Plan as part of our strategic planning process. Board members discussed what they thought were the most immediate challenges in the next year and areas of strength/weakness across the Association.

New strategic objectives have been derived from the strategic planning day and these will be monitored quarterly through the Business Delivery Plan updates to the Board.

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

Strategic Report (Continued)

These include:

- Older properties which will never reach the standard, a stock disposal strategy (not financially viable for tenants to afford (services, heating etc) – Added as a new objective in 2023/24
- Investment Programme for the next five years to be agreed and shared with tenants – Added as a new objective in 2023/24
-

The main elements of the business delivery plan in 2023/2024 will include:

- Implementing the Housing Strategy and achieving outcomes for each of the strategy themes whilst dovetailing with the Communities Strategy.
- Preparing a new operating model to be implemented from 1 April 2024.
- Review of performance reporting and targets and reflect how these align to customer experience.
- Measure performance improvement for each business area identified through Annual Return on the Charter and benchmarking results.
- Embed a culture of continuous improvement and deliver excellent customer services to reflect the principles of the Chartered Institute of Housing (CIH) Professional Standards and customer expectations.
- Embed a culture refresh in relation to working practices, attitudes, and behaviours that meet customer and tenant expectations.
- Consider disposal strategy for stock across Link.
- Contribute to the review of Asset Management Strategy.
- Contribute to the development of the EESSH 2 strategy 2022-2025.
- Ensure delivery of the Asset Management Investment Programme and that this is communicated to our tenants.
- Review the Older Persons Service in 2023/2024.
- Consider viability of the Sheltered stock in 2023/2024.
- Consider improvements to the digital services offer in line with the Digital Strategy.
- Further develop an action plan based on the Tenant Engagement Strategy and develop intelligence of what customer aspirations and needs are to allow service delivery to be tailor made to suit.

The Link Housing Association Limited Board will continue to monitor Business Plan objectives on a quarterly basis, and this will update annually through Business Plan Strategy sessions.

Despite a challenging year in 2022/2023, Link Housing Association remains in a financially secure position, part of which is due to the continued reliable and robust performance of rent and debt collection. The Association will continue to review risk profiles, protecting tenants and staff within this environment. The Association plans to achieve delivery of its business plan proposals during 2024/2025 whilst continuing to protect its income. Remaining compliant and managing all other aspects of the housing management business will continue in accordance with both Scottish Government and Scottish Housing Regulatory frameworks.

**REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2023
(continued)****Risks**

The Association has a risk register which sets out its key risks. A new Audit and Risk Committee was established in March 2023 to monitor all risks associated, within the Association's area of operation. Following another year of operating within a difficult environment the measures adopted have again proven to be successful, which saw an increase in income and staff absence managed effectively.

Risk	Controls
Significant Business Interruption including lack of staff	This risk is mitigated by the disaster recovery and business continuity plans.
Insufficient resources/negative impact on staff health and wellbeing to deliver service growth and change programme.	This risk is mitigated with regular feedback from staff, performance reviews, robust business planning and transformation implementation.
Loss of Income (Rental Income / Funding / void loss)	This risk is mitigated by the staff structure, with a focus of staff resources on income and arrears management process and tenancy sustainment. Budget monitoring and KPI indicators, and annual visits are used to monitor performance. In addition, Link provide money and debt advice services.
Unfavourable results from welfare reforms (Property Occupancy)/ Reduced benefit payments/benefit cap/benefit freeze	This risk is mitigated with the continual assessment of impact of welfare reforms and monitoring of early intervention. Staff are provided with training, enabling Link to identify tenant who require support.
Failure to comply with Scottish Social Housing Charter outcomes	To mitigate this risk, staff are provided with appropriate training and allocation of responsibility. Performance is monitored by tenant inspection and scrutiny panels. A full suite of KPI's is presented to LHA Board on a quarterly basis. There is a monitoring regime through verification of ARC indicators, internal audit reviews and weekly and monthly monitoring of KPI's.
Non-compliance - Freedom of Information Act	To mitigate this risk staff, maintain awareness of legislative programme, and any changes to this.

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

Financial Review

The financial statements are prepared in accordance with the Statement of Recommended Practice 2018 (SORP) for Social Housing Providers. The Association achieved total comprehensive income for the year to 31 March 2023 of £nil (2022: £2.3m). Turnover of £10.7m (2022: £17.8m) has decreased by 39% and Operating expenditure of £10.6m (2022: £15.4m) has decreased by 31% both are mainly attributable to the management of the commercial services activities being transferred to C~URB 6 as of 1 April 2022.

Cash balances decreased by £1.1m to £1.6m (2022: £2.7m), also attributable to the management of the commercial services activities being transferred to C~URB 6 as of 1 April 2022. Accounts receivable has decreased by £2.7m to £8.9m (2022 : £11.6m) due to PSL Receivables transferring to C~URB 6. Accounts payable has decreased by £3.5m to £10.5m (2022:£14m) due to amounts owed to Landlord in PSL activities being transferred to C~URB 6.

Performance 2022/2023

The table below provides the performance of the Association's functions against the targets approved by the Association's Board in 2022.

Indicator	Reason	LHA Performance 2022/2023	LHA Targets 2022/2023	Proposed Targets 2023/2024	Scottish Average 2021/22
Gross Rent arrears as a % of rent due	ARC indicator Service Impact	3.9%	5.2%	5.0%	6.3%
% of new tenancies sustained for more than a year by source of let	ARC indicator Service Impact Prevention of homelessness	98.0%	92.0%	94.0%	91.0%
% of properties available (and there was a demand for homeless) how many were let to homeless applicants	ARC indicator Service Impact Prevention of homelessness	85.0%	>70.0%	65.0%	33.0%

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

Performance 2022/2023 (Continued)					
Indicator	Reason	LHA Performance 2022/2023	LHA Targets 2022/2023	Proposed Targets 2023/24	Scottish Average 2021/22
% of tenants who feel that rent for their property represents good value for money	ARC indicator Service Impact	83.0%	85.0%	83.0%	83.0%
Average re-let times (calendar days)	ARC indicator Service Impact	33	25	30	52
% of rent due lost through homes being empty	ARC indicator Service Impact	0.6%	0.6%	0.4%	1.4%
Increase number of properties meeting SHQS target	ARC indicator Legislative requirement	84.7%	99.6%	99.6%	72.7% (Failing on one criteria)
Average length of time taken to complete emergency repairs hours	ARC indicator Direct service impact Safety and wellbeing	3	4	4	4
Average length of time taken to complete non-emergency repairs.	ARC indicator Direct service impact Safety and wellbeing	10	6	6	9
Percentage tenants satisfied with repairs service	ARC indicator Direct service impact Safety and wellbeing	83.0%	96.0%	96.0%	88.0%

Statement of Disclosure to Auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Association's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the Association's auditor is aware of that information.

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

Corporate Governance

The Association is governed by a Board made up of 10 members (maximum 12 members allowed). In 2022/2023 we successfully recruited 5 members to join the Association Board. Meetings are held bi-monthly, and agenda items are either approved, noted, and/or discussed. Matters of business assurance are referred to Link Group Limited.

Each board member brings their individual skills and experience to the governing body of the Association. The Association's Board are tasked with making the key decisions about the Association's direction and provide challenge and oversight of the staff team to ensure that all decisions and services are provided and delivered in the best interests of our tenants and customers.

Training requirements for the Association board members were identified as part of the annual performance reviews and a suite of training courses is available to ensure that the Association's Board members have a full knowledge of our business.

Current membership of the Board is as set out on page 1.

Auditor

In accordance with section 487 of the Companies Act 2006, the auditor, RSM UK Audit LLP will be deemed to be reappointed and will therefore continue in office.

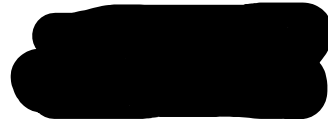
BY ORDER OF THE BOARD OF MANAGEMENT.



P. Pyke
Chair



K. Hewie
Vice Chair



J. N. Hall
Secretary

Date: 17 August 2023

LINK HOUSING ASSOCIATION LIMITED**BOARD OF MANAGEMENT STATEMENT ON INTERNAL FINANCIAL CONTROLS**

Identification of Business Risks

The Board is responsible for identifying the major business risks faced by the Association and for determining the appropriate course of action to manage those risks. Major business risks and the financial implications are assessed by reference to established criteria. These risks are incorporated into risk registers which are reviewed by the Group Leadership Team, the Association Audit and Risk Committee and the Board itself.

The financial implications of major business risks are controlled by means of delegated authorities which reserve significant matters to the Board for decision, segregation of duties in appropriate areas and physical controls over assets and access to records.

Management Information Systems

Management information systems have been developed to provide accurate and timeous data of all aspects of the business. Management accounts comparing actual results against budget are presented to the Board monthly, together with a balance sheet and performance against key financial indicators. Reports accompanying the accounts also provide information on borrowing, investment, and recoverability of debts due.

Internal Control Systems

The Board monitors the operation of the internal financial control system by considering regular reports from management and the external auditor. This ensures appropriate corrective action is taken to address any reported weaknesses.

Internal Audit

Internal Audit services are provided by an experienced external company Azets. The audit work plan is generated from a detailed Audit Needs Assessment which is based upon a systematic risk assessment of the Groups' operations and activities. There were no issues with internal audit. The Internal Auditor reports to the Group Audit and Risk Committee.

Group Audit and Risk Committee

The Group Audit and Risk Committee has up to seven members and monitors the controls which are in force and any perceived gaps in the control environment. This is achieved through reports to the Committee from the internal and external auditors. The Committee considers and determines relevant action in respect of any control issues raised by the internal or external auditors. Partner Boards also receive reports from the external and internal auditors.

Development Committee

The remit of the Development Committee is to approve Link's development programme, scrutinise the financial viability of projects and ensure that a full risk assessment, incorporating all appropriate due diligence, is carried out. In addition, the Committee monitors the progress of projects through to completion against programme and budget.

LINK HOUSING ASSOCIATION LIMITED**BOARD OF MANAGEMENT STATEMENT ON INTERNAL FINANCIAL CONTROLS**

Remuneration Committee

The Remuneration Committee's remit is to monitor the performance of the Chief Executive and Directors; to review the salaries of those individuals and to determine whether any performance awards are due. The Committee has an advisory role and will make recommendations to the Board on the aforementioned matters.

Health & Safety

The Association is committed to the provision of a healthy and safe working environment. The Group endeavours to eliminate hazards where recognisable, including the risk of fire; security losses; damage to plant, property, and the environment, thus significantly reducing the risk of personal injury or occupational ill health to all personnel. The Health & Safety Committee staff groups in each RSL oversee the risk assessment programme and regularly review the policies. Link's full-time Health and Safety Officer works closely with the Group Health and Safety Committees.

Statement

The Board acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments 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 proper authorisation and recording of transactions.
- 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.

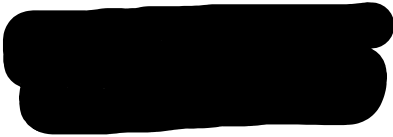
In ensuring it meets its responsibilities, the Board has delegated the scrutiny of control functions to the Group Audit and Risk Committee which receives regular reports from the internal auditor based on the internal audit strategic plan. The Committee follows up on progress made with regard to the implementation of audit recommendations and the internal auditor also checks that the previous year's recommendations are implemented. The internal audit strategic plan applies to the Link Group which enables the Group Audit and Risk Committee (on the Board's behalf) to be satisfied that the control systems in the Group are effective. Both internal and external auditors are invited to all Group Audit and Risk Committee meetings

The Group Board has continued to review the system of internal financial control for the Association during the year ended 31 March 2023 and internal financial control systems of the wider Group including all partner companies. No weaknesses were found in the internal financial controls, which could result in material losses, contingencies, or uncertainties which require disclosure in the financial statements, or in the auditor's report on the financial statements.

LINK HOUSING ASSOCIATION LIMITED

BOARD OF MANAGEMENT STATEMENT ON INTERNAL FINANCIAL CONTROLS

BY ORDER OF THE BOARD OF MANAGEMENT



P. Pyke
Chair

Date: 17 August 2023

Registered Office:
Link House, 2c,
New Mart Road,
Edinburgh,
EH14 1RL

LINK HOUSING ASSOCIATION LIMITED

STATEMENT OF BOARD'S RESPONSIBILITIES UNDER THE CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014 FOR A REGISTERED SOCIAL LANDLORD

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

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

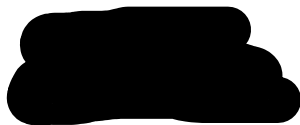
The Board is responsible for instituting adequate systems of internal control and for:

- safeguarding assets
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website.

The Board is responsible for the keeping of proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Association. The Board of Management must ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. The Scottish Housing Regulator's standards of governance and financial management for Registered Social Landlords must be followed. The Board of Management is responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This statement was approved by the board on 10 August 2023.



P. Pyke
Chair

17 August 2023

LINK HOUSING ASSOCIATION LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINK HOUSING ASSOCIATION LIMITED**

Opinion

We have audited the financial statements of Link Housing Association Limited (the 'Association') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cashflows, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of 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.

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 about 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 of going concern are described in the relevant sections of this report.

LINK HOUSING ASSOCIATION LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINK HOUSING ASSOCIATION LIMITED (continued)**

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 is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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:

- 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 obtained all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board of Management's responsibilities statement set out on page 16, 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 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.

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.

LINK HOUSING ASSOCIATION LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINK HOUSING ASSOCIATION LIMITED (continued)**

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the Association operates in and how the Association is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Housing SORP 2018, the Housing (Scotland) Act 2010 and 2014, and the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019 and the Co-operative and Community Benefit Societies Act 2014. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to employment legislation, the Gas Safety Regulations 1998, health and safety regulations and data protection. We performed audit procedures to inquire of management whether the society is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

LINK HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINK HOUSING ASSOCIATION LIMITED (continued)

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud.

For management override of controls, the audit procedures included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

For revenue recognition, the audit procedures included but were not limited to performing detailed testing of other income, focusing on the existence and valuation of income recognised.

A further description of our responsibilities for the audit of the financial statements is provided 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.

DocuSigned by:

RSM UK Audit LLP

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RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Third Floor

2 Semple Street

Edinburgh

EH3 8BL

Date 25/8/2023 | 10:49 BST

LINK HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITOR TO THE MEMBERS OF LINK HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 13 to 15 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on pages 13 to 15 have provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

DocuSigned by:

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RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third Floor
2 Semple Street
Edinburgh
EH3 8BL

Date 25/8/2023 | 10:49 BST

LINK HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

		2023	Continuing operations 2022	Discontinued operations 2022	Total 2022
	Notes	£'000	£'000	£'000	£'000
Turnover	2	10,658	8,538	9,296	17,834
Operating expenditure	2	(10,554)	(7,959)	(7,431)	(15,390)
Operating surplus		104	579	1,865	2,444
Interest receivable	4	-	-	-	-
Interest and financing costs		(108)	(94)	(28)	(122)
Surplus on ordinary activities before taxation		-	485	1,837	2,322
Total comprehensive income for the year		-	485	1,837	2,322

The results for the year relate to continuing activities only, activities from discontinued activities have been included in the prior year results, relating to the activities that were transferred to C~urb 6 Ltd as of 01 April 2022.

LINK HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2023

			2023	2022
	Share Capital £'000	Revenue Reserve £'000	Total £'000	Total £'000
As at 1 April 2022	-	-	-	-
Surplus from Statement of Comprehensive Income	-	-	-	2,322
Gift aid donation to parent company				(2,322)
As at 31 March 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

There are no other recognised gains or losses other than those included in the above Statement of Comprehensive Income.

The notes on pages 26 to 40 form an integral part of these financial statements.

LINK HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Notes	2023 £'000	2022 £'000
Current assets			
Receivables	10	8,928	11,589
Cash and cash equivalents		<u>1,644</u>	<u>2,692</u>
		10,572	14,281
Payables: amounts falling due within one year	11	(10,472)	(13,981)
Net current assets		<u>100</u>	<u>300</u>
Total assets less current liabilities		100	300
Payables: amounts falling due after more than one year	12	-	(300)
Other provisions for liabilities	13	(100)	-
Net assets		<u><u>-</u></u>	<u><u>-</u></u>
Capital and reserves			
Share capital		-	-
Revenue reserves		-	-
Total reserves		<u><u>-</u></u>	<u><u>-</u></u>

The financial statements were approved by the Board of Management on 10 August 2023 and signed on its behalf by:



P. Pyke
Chair



K. Hewie
Vice Chair



J. N. Hall
Secretary

17 August 2023

The notes on pages 26 to 40 form an integral part of these financial statements.

LINK HOUSING ASSOCIATION LIMITED
STATEMENT OF CASHFLOWS FOR YEAR ENDED 31 MARCH 2023

	Notes	2023 £'000	2022 £'000
Net cash inflow generated from operating activities	19	(944)	(172)
Investing activities			
Interest received on cash and cash equivalents		4	-
Net cash outflow from investing activities		4	-
Financing activities			
Interest paid on loans		(108)	(122)
Net cash outflow from financing activities		(108)	(122)
(Decrease) in cash		(1,048)	(294)
Opening cash and cash equivalents		2,692	2,986
Closing cash and cash equivalents		1,644	2,692

The notes on pages 26 to 40 form an integral part of these financial statements.

LINK HOUSING ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

The Association converted from a private company limited by shares and incorporated and domiciled in Scotland, United Kingdom (SC216300), on 17 January 2022 and is now incorporated under the Cooperative and Community Benefit Societies Act 2014 (registration number 8793) and is a housing association registered on 4 October 2022 with the Scottish Housing Regulator under the Housing (Scotland) Act 2010. The Association is Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

A description of the Association's principal activities is detailed on page 4.

The registered address is Link House, 2c New Mart Road, Edinburgh, EH14 1RL. These financial statements were prepared in accordance with applicable accounting standards and statements of recommended practice and comply with the requirements of the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator and the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018 (SORP 2018 and Financial Reporting Standard 102. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Association's parent undertaking, Link Group Limited includes the Association in its consolidated financial statements. The consolidated financial statements of Link Group Limited are available to the public and may be obtained from Link House, 2C New Mart Road, Edinburgh, EH14 1RL.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

a) Measurement convention

The financial statements are prepared on the historical cost basis.

b) Going concern

The financial statements have been prepared on a going concern basis which the Board of Management consider to be appropriate for the following reasons.

The Board of Management, after reviewing the Association's budgets including cashflow forecast to 2023/24 and budget plans to 2027/28 including changes arising from the cost-of-living crisis are of the opinion that, taking account of severe but plausible downsides, the Association will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements.

LINK HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (continued)**b) Going concern (continued)**

The Board of Management therefore continue to adopt the going concern basis in preparing the annual financial statements.

c) Basic financial instruments

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the Association becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Association are recorded at the fair value of proceeds received, net of direct issue costs.

LINK HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (continued)**d) VAT**

Link Housing is a member of Link Group's VAT group registration. Expenditure is shown inclusive of VAT and any input VAT recovered is included in other income.

e) Employee benefits***Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which the Association pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

f) Gift aid payment presented within shareholder's funds

Gift aid payments are only recognised as a liability at the year end to the extent that they were paid after the year end, there is a deed of covenant prior to the year-end or a Companies Act s288 written resolution has been approved by the shareholder in the year to pay the taxable profit for the year to its parent by a certain payment date

g) Turnover

Management fees receivable from Link Group Limited are recognised in the year in which the management services are provided.

Service income is charged monthly in advance via tenants' rent accounts and is recognised in the period to which it relates.

Grant income is recognised in the year to which it relates.

j) Share Capital

Share Capital shares comprise ordinary shares with no preference and voting rights attached thereto. The share capital shareholders hold no right to distribution of dividends.

k) Judgement and accounting estimates

There are no significant judgements and estimates that management has made in the process of applying the entity's accounting policies.

LINK HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES (continued)

I) Provisions

The Association recognises provisions when: there is a present legal or constructive obligation as a result of past events; it is probable that an outflow of resource will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

LINK HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS/(DEFICIT)
LINK HOUSING ASSOCIATION LTD

	Notes	Turnover 2023 £'000	Operating Costs 2023 £'000	Operating Surplus / (Deficit) 2023 £'000	Continuing operations Operating Surplus / (Deficit) 2022 £'000	Discontinued operations Operating Surplus / (Deficit) 2022 £'000	Total Operating Surplus / (Deficit) 2022 £'000
Affordable letting activities	3	9,585	(9,565)	20	1,002	44	1,046
Other activities	4	1,073	(989)	84	(423)	1,821	1,398
Total 2023		10,658	(10,554)	104	579	1,865	2,444
Total 2022		17,834	(15,390)	2,444			

LINK HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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

	General Needs Housing 2023 £'000	Supported Housing 2023 £'000	Shared Ownership 2023 £'000	Total 2023 £'000	Continuing operations 2022 £'000	Discontinued Operations 2022 £'000	Total 2022 £'000
Revenue from rent and service charges							
Rents receivable (net of service charges)	-	-	-	-	-	-	-
Service charges receivable	1,260	-	-	1,260	1,366	245	1,611
Gross income from rent and service charges	1,260	-	-	1,260	1,366	245	1,611
Less: rent losses from voids	-	-	-	-	-	-	-
Net income from rent and service charges	1,260	-	-	1,260	1,366	245	1,611
Grants released from deferred income	-	-	-	-	-	-	-
Revenue grants from Scottish Ministers	-	-	-	-	-	5	5
Other revenue grants	69	-	-	69	148	-	148
Other operating income	8,256	-	-	8,256	6,075	704	6,779
Total turnover from affordable letting activities	9,585	-	-	9,585	7,589	954	8,543

LINK HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

	General Needs Housing 2023 £'000	Supported Housing 2023 £'000	Shared Ownership 2023 £'000	Total 2023 £'000	Continuing operations 2022 £'000	Discontinued Operations 2022 £'000	Total 2022 £'000
Expenditure							
Management and maintenance administration costs	(7,738)	-	-	(7,738)	(5,221)	(667)	(5,888)
Service Costs	(1,827)	-	-	(1,827)	(1,368)	(243)	(1,611)
Planned and cyclical maintenance including major repair cost	-	-	-	-	-	-	-
Reactive maintenance cost	-	-	-	-	-	-	-
Bad debts – rents & service charges	-	-	-	-	2	-	2
Depreciation of affordable let properties	-	-	-	-	-	-	-
Loss on disposal of components	-	-	-	-	-	-	-
Operating costs for affordable letting activities	(9,565)	-	-	(9,565)	(6,587)	(910)	(7,497)
Operating surplus / (deficit) for affordable lettings 2023	20	-	-	20	1,002	44	1,046
Operating surplus / (deficit) for affordable lettings 2022	1,046	-	-	1,046			

LINK HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

4. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS/(DEFICIT) FROM OTHER ACTIVITIES

	Other Revenue Grants 2023 £'000	Supporting People Income 2023 £'000	Other Income 2023 £'000	Total Turnover 2023 £'000	Other Operating Costs 2023 £'000	Operating Surplus / (Deficit) 2023 £'000	Continuing operations Operating Surplus / (Deficit) 2022 £'000	Discontinuing operations Operating Surplus / (Deficit) 2022 £'000	Total Operating Surplus / (Deficit) 2022 £'000
Wider role activities	-	-	915	915	(944)	(29)	41	-	41
Factoring	-	-	-	-	-	-	-	(165)	(165)
Contracted out services undertaken for other RSL's	46	-	28	74	(45)	29	(495)	-	(495)
Contracted out services undertaken for other organisations	-	-	-	-	-	-	-	687	687
Development and improvements for sale to non- RSLs	-	-	-	-	-	-	-	68	68
Shared equity sales administration	-	-	-	-	-	-	-	1,315	1,315
Investment property activities	-	-	-	-	-	-	-	(2)	(2)
Gain on sale of properties	-	-	-	-	-	-	-	(72)	(72)
Other activities	-	-	-	-	-	-	-	(10)	(10)
Support activities	-	84	-	84	-	84	31	-	31
Total from other activities 2023	46	84	943	1,073	(989)	84	(423)	1,821	1,398
Total from other activities 2022	8	78	9,205	9,291	(7,893)	1,398			

LINK HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

5. KEY MANAGEMENT PERSONNEL AND BOARD MEMBERS' EMOLUMENTS

Under FRS 102 The Association has defined "key management personnel" as the Managing Director as set out on page 1 of the Report and Financial Statements.

The total emoluments, excluding employers pension contributions, of the key management personnel over £60,000, including the Managing Director were as follows;

	2023	2022
	£'000	£'000
Emoluments (excluding pension contributions)	91	106
Pension contributions	5	7
Total Emoluments	<u>96</u>	<u>113</u>

The Director whose emoluments exceed £60,000 falls within the following bandings:

Emoluments (including pension contributions)	2023	2022
	£'000	£'000
£60,000 - £69,999	-	1
£90,000 - £99,999	1	-
	<u>1</u>	<u>1</u>

The emoluments, excluding pension contributions, of the highest paid director, who is the Managing Director are £90,449 (2022: £57,381). The Managing Director is an ordinary member of the pension scheme, no enhanced or special terms apply and has no other pension arrangements with the Association. The pension contribution by the Association in respect of the Managing Director amounted to £5,067 (2022: £4,402).

No member of the Board of management received any emoluments in respect of their services to the Association.

Total expenses reimbursed insofar as not chargeable to UK income tax:

	2023	2022
	£'000	£'000
Board of Management	<u>-</u>	<u>-</u>

LINK HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

6. EMPLOYEES

	2023	2022
	£'000	£'000
Staff costs during the year were as follows:		
Wages and salaries	4,254	7,261
Social security costs	459	722
Contributions to defined contribution plans	324	518

	2023	2022
	£'000	£'000
Agency staff costs	<u>28</u>	<u>49</u>

One Director (2022: One Director) received travel expenses of £nil (2022: £nil)

	2023	2022
	No.	No.
Average number of employees during the year	<u>126</u>	<u>222</u>
Average full-time equivalent of employees during the year	<u>118</u>	<u>240</u>

7. AUDITOR'S REMUNERATION

	2023	2022
	£'000	£'000
Audit of these financial statements	20	13
Taxation compliance services	4	3
	<u>24</u>	<u>16</u>

LINK HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

8. HOUSING STOCK

	2023 Units in Management No.	2022 Units in Management No.
Housing accommodation for letting	10,324	11,963
Shared bedspaces	-	-
Shared ownership accommodation	-	-
Total Units	<u><u>10,324</u></u>	<u><u>11,963</u></u>

The Association owns no housing property assets. All stock included in the above are managed on behalf of Link Group Limited, the legal owner of the housing property assets.

From 1 April 2022 PSL and commercial activities were transferred to Curb, which resulted in 2,030 units now being managed in Curb.

9. NON-CURRENT ASSETS – INTANGIBLE ASSETS

	Software £'000
Cost	
Balance as at 1 April 2022	198
Additions	-
Transfers in year	(198)
Balance as at 31 March 2023	<u><u>-</u></u>
Amortisation	
Balance as at 1 April 2022	198
Amortisation for the year	(198)
Balance as at 31 March 2023	<u><u>-</u></u>
Net book value	
As at 31 March 2023	<u><u>-</u></u>
As at 31 March 2022	<u><u>-</u></u>

LINK HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

10. RECEIVABLES

	2023 £'000	2022 £'000
Arrears of rent and service charges	18	542
Less: Payment plan adjustment	-	(7)
Less: Provision for bad and doubtful debts	(10)	(339)
Net rental debtors	<u>8</u>	<u>196</u>
Trade receivables	574	3,164
Other receivables	286	669
Prepayments and accrued income	63	31
Amounts due from group undertakings	7,997	7,529
	<u>8,928</u>	<u>11,589</u>

11. PAYABLES - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Trade payables	295	250
Rent and service charges in advance	42	49
Taxation and social security	10	2
Other payables	685	2,096
Accruals and deferred income	374	741
Amounts owed to group undertakings	9,066	10,843
	<u>10,472</u>	<u>13,981</u>

12. PAYABLES - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £'000	2022 £'000
Other payables	-	300
	<u>-</u>	<u>300</u>

LINK HOUSING ASSOCIATION LIMITED **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023**

13. OTHER PROVISIONS FOR LIABILITIES

	2023 £'000	2022 £'000
Other provisions for liabilities	100	-
	<u>100</u>	<u>-</u>

The provision has been provided for in relation to a legal claim against the Association. No further disclosure has been given in order to protect the entities from any prejudicial action. Exemption has been taken under FRS102 S.21.17 in relation to the provision.

14. CORPORATION TAX

Total tax expense recognised in the profit and loss account, other comprehensive income, and equity.

	2023 £'000	2022 £'000
Current tax:		
Current tax on income in the period	-	-
Total current tax	-	-
Total tax	<u>-</u>	<u>-</u>
Current tax recognised in profit and loss account	-	-
Current tax recognised directly in equity	-	-
Total tax	<u>-</u>	<u>-</u>
Tax using the UK Corporation Tax rate of 19% (2022: 19%)	<u>-</u>	<u>-</u>
Reconciliation of tax charge		
Profit before taxation	-	2,322
Gift aid	-	(2,322)
Total tax expense included in profit	<u>-</u>	<u>-</u>

15. GIFT AID PAYMENT

	2023 £'000	2022 £'000
The aggregate amount of gift aid payments comprises:		
Gift aid approved by written resolution by the shareholder	<u>-</u>	<u>2,322</u>

LINK HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

16. EMPLOYEE BENEFITS

Defined contribution scheme

117 (2022: 257) members of the Association staff were members of Link Group Limited's Group Personal Pension Scheme as at 31 March 2023. The assets of the scheme are administered by trustees in a fund independent of Link Group Limited. The total employer contributions for the year ended 31 March 2023 amounted to £302,941 (2022: £495,682).

The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted-out of the State Pension Scheme.

Two members (2022:3) of the Association staff participate in the Scottish Housing Associations' Pension Scheme ('the Scheme') via Link Group Limited. Total employer contributions for the year ended 31 March 2023 amounted to £21,340 (2022: £22,504). The value of the Association's employer contributions is based on the employees that partake in the scheme, for which a breakdown of the value is received from Link Group Limited. The liability relating to the scheme is recognised in the financial statements of Link Group Limited.

Link Group Limited offers all staff membership to the Link Group Defined Contribution scheme, with employer contribution rates of up to 9% from 1 April 2019 (prior to 31 December 2013 12%).

17.	SHARE CAPITAL	Allotted, called up and fully paid 2023 & 2022
	Ordinary Shares of £1 each	<u>1</u>

18. CONTINGENT LIABILITIES

Exemption has been taken under FRS102 S.21.17 in relation to the legal contingent liability. Full disclosure could have a prejudicial effect on the legal proceedings. In relation to legal proceedings raised against Link Housing Association, a contingent liability has been entered. In respect of this contingent liability, a £100k provision has been created on the financial statements.

LINK HOUSING ASSOCIATION LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

19. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES CASHFLOW ANALYSIS

	2023	2022
	£'000	£'000
Surplus for the year	-	-
Decrease in receivables	2,661	8,964
(Decrease) in payables	(3,809)	(9,258)
Increase in provisions	100	-
Interest payable	108	122
Interest received	(4)	-
	(944)	(172)

20. RELATED PARTIES

During the year three tenants served as Board Members (2022: 2). None of the Association Board Members owned properties which benefited from property management services provided by the Association (2022: nil). The tenancies of the Board Members were on normal commercial terms and neither of the tenants could use their position to their advantage.

Transactions with governing body members were as follows:

	2023	2022
	£'000	£'000
Rent and factoring income received from tenants and owners on the Board	10	6
Tenants and owner Committee member arrears (in credit) as at 31 March	-	(1)

As a wholly owned subsidiary of Link Group Limited, the Association is exempt, under FRS 102 section 33.1A from the requirement to disclose transactions with other members of the Link Group, headed by Link Group Limited.

21. CONTROLLING RELATED PARTY

The Board of Management consider the ultimate parent undertaking of this Association to be Link Group Limited. Consolidated accounts can be found at Link House, 2C New Mart Road, Edinburgh, EH14 1RL.

22. POST BALANCE SHEET EVENTS

On the 11 August 2023, Link Housing Association received confirmation from The Scottish Charity Regulator that its application for charity status has been approved. Link Housing as of this date is now a registered charity. Charity reference number SC052747.