MARYHILL HOUSING ASSOCIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

The Scottish Housing Regulator No HCB159
Financial Conduct Authority No 1904R(S)
Scottish Charity Number SC032468

BOARD, EXECUTIVES AND ADVISERS

Board

Lindsay Forrest	Chair
Paul Imrie	Vice-chair
Isabella McTaggart	
Tim Holmes	
Raphael Rickson	
Jenny Crowe	
Caitlyn Maccabe	
Roger Popplewell	Resigned 26 September 2022
Valerie Wilson	
Viola McDade	Appointed to Board 28 March 2022 (Co-optee until 21 September 2022)

Co-optees

John McCann	Resigned 22 June 2023
William McNeilly	Appointed 26 January 2023
Sonia Jordan	Appointed 26 January 2023

Registered Office
45 Garrioch Road
Maryhill
Glasgow
G20 8RG

Executive Officers

Bryony Willett	Chief Executive
Jennifer Simon	Director of Operations
Rebecca Wilson	Director of Resources and Secretary

External auditor	**Internal auditor (to 31 March 2023)**	**Internal auditor (from 1 April 2023)**
Azets Audit Services	Wylie & Bisset	BDO
Titanium 1	168 Bath Street	2 Atlantic Square
King's Inch Place	Glasgow	31 York Street
Renfrew	G2 4TP	Glasgow
PA4 8WF		G2 8NJ

Bankers
Royal Bank of Scotland
4th Floor
110 Queen Street
Glasgow
G1 3BX

Solicitors

T C Young	Harper McLeod LLP (to 1 May 2023)	Thorntons Law LLP (from 1 May 2023)
7 West George Street	The Ca'd'oro	3rd Floor Citypoint
Glasgow	45 Gordon Street	65 Haymarket Terrace
G2 1BA	Glasgow	Edinburgh
	G1 3PE	EH12 5HD

Registration numbers

The Scottish Housing Regulator	HCB159
Financial Conduct Authority	1904R(S)
Registered Scottish Charity	SC032468

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The Board presents their report and the audited financial statements for the year ended 31 March 2023.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 (No.1904R(S)). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC032468.

Principal Activity

The principal activity of the Association is the provision and management of social housing for rent and the maintenance, development, and regeneration of its community base of Maryhill and Ruchill.

Review of Business and Future Developments

Corporate Governance

Maryhill Housing Association Limited is governed by a voluntary Board which is elected by its members. Its responsibility is to agree the long term strategy, business plan and overall direction of the Association. The Board is supported by the Chief Executive, Directors, and specialist staff. The Association reviews its Governance Effectiveness Plan annually. The Board elected its current Chair in September 2021. The Association completed an external collaborative Governance Review in 2022 and substantial assurance was returned. Actions in the 2022/23 Governance Effectiveness Plan included recruitment of new Board Members, delivering actions from the 2022 review, and training ranging from development finances to strategic planning.

The Board is accountable to the members of the Association. The Board serves in a voluntary capacity, and we recognise that this puts more onus on us to set and achieve high standards of professionalism. Board appraisals are carried out annually and we have a programme of training to assist with Board members' development.

During 2022/23 we successfully recruited two new tenant Board members. We work with nine Registered Tenants Organisations (RTOs) and are committed to providing customers with opportunities to influence the organisation's future. Our approach to tenant scrutiny was developed in partnership with the Tenants' Information Service. The Service Improvement Panel (scrutiny group) have not been operational during and following the pandemic and the Association's approach to scrutiny will be reviewed in 2023/24.

The Association's Board conforms to a clear Code of Conduct to ensure the highest standards of governance are maintained and any potential breaches of our Code of Conduct are treated seriously and managed in line with the process set out in the Code of Conduct.

The rules of the Association require the Board to have a customer majority. The current board composition is 7 customers and 4 non-customers.

Strategic Planning

The Board commenced the process of refreshing its Corporate Plan in Autumn 2021 and approved a new Corporate Plan in March 2022. The new plan sets out a new clarified mission statement, vision for the future, strategic priorities, and organisational values. The plan was developed with the staff team drawing on a range of feedback from customers, stakeholders, and the external environment. The 2022/23 annual Corporate Business Plan pulled together these strategic and service priorities, risks, and financial capacity into a single document. The Delivery Plan for 2022/23 set out tangible projects to be delivered during the year. This was approved by the Board in June 2022. Each team set its own Team Delivery Plan which supports the achievement of the organisation-wide Delivery Plan.

The Association's vision is: Great homes in strong and thriving communities.

Our mission is: Providing great housing and services for our customers; supporting strong, inclusive communities in North West Glasgow.

Our values are to:
- Think customer first
- Take responsibility
- Embrace people's differences
- Keep improving

Our long-term strategic objectives are to:
- Improve customer experience
- Enable better lives
- Provide places to feel proud of
- Build a sustainable business

Achievements and Performance

Summary

2022/23 was the first year of the 2022 – 2025 Corporate Plan and saw improvements in performance and delivery of key projects. Significant achievements in 2022/23 included:

- Recruitment and induction of two new tenant (co-optee) Board Members
- Piloting a rolling out of a new Caretaking service on the Cumlodden estate
- Working with partners to secure over £2m in grant funding to support regeneration in the North Maryhill Transformational Regeneration Area
- Introducing a new framework for health and safety governance and reporting
- Reprocuring a new reactive repairs contractor at short notice
- Working with partners to secure funding to continue youth provision at our Glenavon high rise
- Securing funding for a new Sustainable Solutions tenancy sustainment project and continuation of the Energy Advice service.
- Securing funding in partnership with other housing associations to support development of an Affordable Warmth and Net Zero Strategy

However, this is offset against key challenges including:

- Significant cost increases in key contracts (reactive repairs and voids)
- High staff absence and turnover, particularly in technical roles
- Overspends in the cost of repairing empty properties (voids)
- Delays delivering our investment programme

The Association submitted its Annual Assurance Statement in October 2022 and self-assessed as compliant. The Scottish Housing Regulator also assessed the Association as compliant in March 2023. In 2023/24 the Regulator will engage with the Association around landlord health and safety issues, service provision, specifically repairs, and render failure in our high-rise properties.

Value for money continues to be a key medium-term focus for Maryhill Housing, however the ability to achieve savings due to the current high inflation has proved challenging. In 2022/23 ongoing savings of £55k were achieved resulting in reduced budgets for these areas in 2023/24, however this was against a target of £100k and further work to identify in year budget savings will take place during 2023/24 with the aim of achieving the remaining £45k savings, and this will be set out in the Association's value for money action plan which will be approved by the Association's Board in September 2023.

The results for the year are shown in the Statement of Comprehensive Income. In the year to 31 March 2023 the Association made an operating surplus of £2,233,775, an overall surplus of £1,726,722 and had total comprehensive income of £1,524,722 due to actuarial losses on the defined benefit pension schemes of £202,000.

The Association had net assets of £36,888,702 as at 31 March 2023.

Improving customer experience

Our 3 yearly tenant and owner survey was completed in 2021 by 40% of our customers. Unfortunately, satisfaction had reduced in 7 of the 8 key performance indicators since the previous survey in 2018. Overall satisfaction reduced from 80% to 74%. The exception to this was owners' satisfaction which remained static at 54% following a significant programme of improvements to the factoring service.

Our three yearly Corporate Plan identifies improving customer experience as a key priority for the Association. The main driver for the reduction in satisfaction was customer concerns about the Association's reactive repairs service. The Association was forced to change reactive repairs contractors during lockdown and again during 2022/23 and these transitions were challenging to manage with covid constraints on staff inspecting works and visiting customers in their homes. Customers also want to see more investment in their homes, particularly replacing windows and out-dated heating systems which will help to address fuel poverty.

At the start of 2020 the Association had approximately 1,000 properties heated by traditional electric storage heaters which are unpopular, expensive, and very difficult to control. In 2019 the Association commissioned a feasibility study to consider options for the replacement of these heating systems and in 2020 commenced a pilot project to install thirty air source heat pumps in our mini multi and high-rise properties and over £1.5m in external grant funding has been secured to help fund the cost of installing air source heat pumps in a further 330 properties. This project completed in March 2023. The Association will be on site again from June 2023 replacing all remaining traditional storage heaters with modern high heat retention storage heaters, following positive consultation with customers.

Customer feedback from complaints and other sources also suggests that customer experience of contacting the Association needs to improve. During 2019 we developed a new Customer Charter. Implementation of this was delayed due to covid but was rolled out in 2022/23 along with training on values and customer experience.

In 2019 we also launched our customer portal so that customers can contact the Association in a way and time that suits them. During 2021/22 we developed this functionality and are working towards a full paperless option. In September 2021 we launched an online self-service for booking repairs. During 2022/23 the Association was forced to pause the functionality in the portal because of the change in reactive repairs contractor. This functionality will be available again during 2023/24.

In 2022/23 we continued our focus on developing our staff team. We supported a number of staff through professional qualifications. We have experienced high staff turnover in 2022/2023 – mainly driven by the buoyant labour market and a number of staff leaving to move to promoted posts elsewhere in the sector. A talent management and succession plan will be developed during 2023/24 to try to develop and retain talent in the business where possible.

Enabling better lives

During 2022/23 we continued to benefit from funding from the Scottish Government and Local Government to support our tenants and the wider Maryhill and Ruchill communities through the covid pandemic. In total, together with our partners, we have secured over £700k to support our customers and our communities.
In 2019 we successfully delivered a project to provide internet free of charge to customers in our high-rise blocks. In 2022/23 this service was extended to our mini-multi blocks as part of the Smart Heating installation. We have over 500 customers receiving this service.

Consultation and involvement with tenants is vital to the Association and during 2019/20 we produced a new Customer Engagement Strategy which set out a new innovative approach to customer consultation developed in partnership with the Scottish Federation of Housing Association's Innovation Hub. This new focus on more digital communication has significantly improved our response rates. Over 1000 tenants told us what they thought about rent increase proposals in Autumn 2022.

The Association continues to form strong partnerships to maximise the impact of services in the community. Our current partners include local community councils, Glasgow Life, Jobs, and Business Glasgow, LifeLink, Action for Children, Young Movers (YoMo), North United Communities, neighbouring housing associations Queens Cross Housing Association, North Glasgow Housing Association, Cadder Housing Association, Police Scotland, the Fire Service and Community Safety Glasgow. Projects delivered through these partnerships include job clubs; IT classes; ESOL classes, youth clubs, parenting support; fire safety briefings and counselling support.

Annually, since 2020, we delivered our Maryhill Helps scheme funded through contractor sponsorship to provide shopping vouchers for over 300 children in Maryhill and Ruchill at Christmas.

In 2022 we launched our £50k Hardship Fund to support tenants through the cost-of-living crisis. The support provided ranged from food and fuel vouchers to support with household goods.

In 2020 we reviewed our Procurement and Community Benefits Policy to maximise benefits from high spend capital project such as new build schemes and stronger contractual levers, such as invoicing in advance for community benefits. Our Community Fund was a great success in 2022/23 channelling £40k back into the community.

In 2020 we reviewed our Customer Kitty customer grants and bursary scheme and in 2022/2023 awarded over £10k to support customers to improve their employment prospects; take up education opportunities and enrich their lives.

Providing places to feel proud of

Maryhill Housing Association wants to ensure that all its homes are maintained to an excellent standard, and we do this through a programme of cyclical and planned maintenance work and renewal as well as through our reactive repair service.

In 2022/23 our investment programme focused on completing projects that had been delayed by the covid pandemic. Key projects completed were: air source heat pump installations; individual boiler replacement; communal boiler replacements; internal wall insulation in tenements.

We also delivered significant health and safety works, such as an ongoing programme of decommissioning water tanks.

The Association's Board approved a new five year Investment Plan in March 2023 as part of our new Corporate Business Plan. In 2023/24 our focus will be delivering health and safety critical works, such as common tank decommissioning, improvements that will help to reduce customers' fuel bills in response to the cost of living crisis such as boiler replacement, window renewal and electric heating replacements. A second priority will be addressing customer priorities such as common area improvements. We are projecting to spend £6.5m on improvements in 2023/24. We will supplement our resources with grant funding for energy efficiency improvements where possible.

In Spring 2017 we launched a new partnership approach to the delivery of new housing with Queens Cross Housing Association Limited through the North West Partners Development Hub which is responsible for developing a joint development programme of 600 units over five years. The main benefits of this approach are sharing skills and expertise; increased strategic and political impact in the North of Glasgow; attracting skilled development staff looking for a challenge and economies of scale and efficiencies. Our Board approved a revised Development Policy in November 2022. We will build new affordable housing that contributes to meeting our strategic objectives, is viable, is aligned with the priorities set out in the Glasgow Housing Strategy and Strategic Housing Investment Plan and responds to the North West Glasgow Housing Needs and Demand Assessment.

The key priorities identified for development are:

- Low density family housing;
- Tenure diversification;
- Older people's accommodation;
- Specialist accommodation (e.g; for people with disabilities); and
- Sites of strategic importance to the regeneration of Maryhill (e.g. derelict buildings).

We completed one scheme of 22 units and a further 80 units are currently on site.

We also delivered a programme to acquire 22 properties in 2022/23 with grant support from Glasgow City Council.

There were also 3 conversions in the year.

During 2022 we developed the governance framework for our subsidiary Maryhill Living in preparation for commencing trading in 2023/24. We recruited new Board Members for Maryhill Living bringing relevant expertise and the Board has elected a Chair. Maryhill Living will manage the mid-market rent properties which are included within the newbuild development programme due for completion in 2023 and also the longer term pipeline programme.

The Association has partnered with Glasgow City Council, Glasgow Housing Association, and the Scottish Government to deliver a masterplan for the North Maryhill Transformational Regeneration Area. The Association will be continuing to work with partners to secure grant funding to deliver this regeneration.

The Association is partnering with Glasgow City Council to take forward a compulsory purchase order of a number of derelict properties in the North Maryhill Transformational Regeneration Area,

Performance Management

Service delivery is underpinned by employee performance and remains a high priority. The Association is committed to staff training and development and in 2022/23 we continued to invest in a programme of professional qualifications for our finance, housing, property, and customer contact teams. Our performance management framework and Team Delivery Plans are clearly linked to appraisal objectives and corporate Delivery Plan priorities.

A rolling programme of internal audit supports the Association's values around 'keep improving' and compliance. In 2022/23 internal audits were completed in covid 19 recovery, IT systems, contract management; arrears management; reactive repairs. Actions following these audits are being tracked through our Audit and Risk Committee.

The audit programme for 2023/2024 has been approved by the Association's Board. Internal audits will be carried out in risk management; financial controls; contract management; reactive repairs. In addition to traditional internal audits the Association will also commission additional specialist third line of defence reviews, such as specialist landlord health and safety audits, cyber security testing, investment planning, equality, diversity and inclusion and procurement.

Treasury Management

The Association undertook an externally supported Treasury Management Review during 2018 and entered into a new loan facility with the Royal Bank of Scotland (RBS) for a total of £35.5m in March 2019. £10.74m remained on existing loan terms and a £24.76m rolling credit facility (RCF) was secured on improved loan terms.

The £24.76m RCF currently allows for drawdown of funds until 31 March 2024. Agreement has been reached with RBS to extend the RCF until March 2033 and this is in the process of being finalised. The 30 Year Financial

Projections assumed this extension to the RCF would be implemented, therefore enabling funding to be drawn down as required for the newbuild development programme over the coming six years.

In June 2020 the Association implemented its first annual Treasury Strategy covering all aspects of treasury management. The latest annual Treasury Strategy was approved in June 2023.

Risk Management

The Association maintained a strategic risk register and a strategic risk map during 2022/23. This assesses the business risks faced by the organisation and implements risk management controls to mitigate the risk where possible. This involves identifying the types of risks, prioritising them in terms of likelihood and impact and identifying and implementing controls. Strategic risks are monitored quarterly by the Association's Audit and Risk Committee and Board.

The approach to risk management has been reviewed and a new monitoring framework introduced that clearly sets out risk prevention and mitigation actions and ensure accountability for their delivery. A new Risk Management Policy was approved by the Association's Audit and Risk Committee and Board in June 2022.

Board Members and Executive Officers

The members of the Board and the Executive Officers are listed on the first page of the financial statements.

Each member of the Board holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Board.

The members of the Board are also Trustees of the Association for the purposes of charity law. Members of the Board are appointed by the members at the Association's Annual General Meeting.

Statement of the Board's Responsibilities

Housing Association legislation 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 income and expenditure of the Association for that period. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- prepare a statement on internal financial control.

The Board is responsible for proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and 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. The Board is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement on Internal Financial Control

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

- the reliability of financial information used within the Association, or for publication.
- the maintenance of proper accounting records; and

- the safeguarding of assets against unauthorised use or disposition.

It is the 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 the Association's systems include ensuring that:

- formal policies and procedure are in place, including the on-going documentation of key systems and rules relating to the delegation of authority, which allows the monitoring of controls and restricts the unauthorised use of the Association's assets.
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance.
- forecasts and budgets are prepared which allow the management team and the Board 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.
- monthly and quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate.
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board.
- the Board receives reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken; 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 the Association for the year ended 31 March 2023. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Donations

During the year the Association made charitable donations amounting to £11,573 (*2022: £2,050*).

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are members of the Board at the time the report is approved:

- so far as the Board members are aware, there is no relevant information of which the Association's auditor is unaware; and
- he/she has taken all the steps that he/she ought to have taken as a Board member in order to make himself/herself aware of any relevant information, and to establish that the Association's auditor is aware of the information.

Auditor

Azets Audit Services have expressed their willingness to continue as auditor and will be proposed for reappointment at the AGM.

The Report of the Board (incorporating the Strategic Report) has been approved by the Board and signed on its behalf by:

By order of the Board

[redacted]

Rebecca Wilson
Secretary

Date: 21 August 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARYHILL HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Maryhill Housing Association Limited (the 'Association') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Capital and Reserves, the Statement of Cash Flows, and the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 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; and
- 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 2019 issued by the Scottish Housing Regulator.

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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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.

Group accounts: Section 99(3) of the Co-operative and Community Benefit Societies Act 2014

We agree with the opinion of the Board of the Association that it would be of no real value to the members of the Association to consolidate or include the financial statements of the Association's subsidiary in group financial statements required to be prepared under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 for the year ended 31 March 2023, because of the immaterial nature of the subsidiary's transactions in the year as the subsidiary was dormant.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Board

As explained more fully in the Statement of the Board's Responsibilities set out on page 6, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the Association, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Association is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the Association that were contrary to applicable laws and regulations, including fraud.

Auditor's responsibilities for the audit of the financial statements (continued)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Association through discussions with the Board members and the senior management team, and from our knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator and taxation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the senior management team and the Board and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the Board and relevant sub-committees;
- enquiring of the senior management team and the Board as to actual and potential litigation and claims;
- reviewing legal and professional fees paid in the year for indication of any actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the Scottish Housing Regulator, OSCR and the Association's legal advisors.

We assessed the susceptibility of the Association's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of the senior management team and the Board as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Section 87 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, as a body, 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.

[redacted]

Azets Audit Services
Statutory Auditor
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: August 2023

Azets Audit Services is eligible for appointment as auditor of the Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARYHILL HOUSING ASSOCIATION LIMITED ON THE STATEMENT ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31 MARCH 2023

In addition to our audit of the financial statements, we have reviewed your statements on pages 6 and 7 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial control 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 on corporate governance matters within Bulletin 2009/4 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 6 and 7 has 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 control and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

Through our enquiry of certain members of the Board and Executive Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Board's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial control contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

[redacted]

Azets Audit Services
Statutory Auditor
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: August 2023

Azets Audit Services is eligible for appointment as auditor of the Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MARYHILL HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
AS AT 31 MARCH 2023

	Notes	£	2023 £	£	*2022* *£*
Turnover	4		**14,616,655**		*13,960,548*
Operating expenditure	4		**(12,382,880)**		*(11,013,354)*
Operating surplus	4		**2,233,775**		*2,947,194*
Gain on sale of housing stock	10	**-**		*33,268*	
Loss on sale of property, plant and equipment		**-**		*(5,775)*	
Release of negative goodwill	11	**264,658**		*232,118*	
Interest receivable and other income	12a	**5,254**		*2,667*	
Interest payable and similar charges	12b	**(748,965)**		*(728,693)*	
Other finance charges	13	**(3,000)**		*(28,000)*	
Movement in fair value of investment properties	17	**(25,000)**		*(35,000)*	
			(507,053)		*(529,415)*
Surplus for the year before tax	9		**1,726,722**		*2,417,779*
Tax	14		**-**		*-*
Surplus for the year after tax			**1,726,722**		*2,417,779*
Other comprehensive income					
Actuarial (loss)/gain recognised in the SHAPS liability	33		**(449,000)**		*560,000*
Actuarial gain recognised in the SPF liability	33		**247,000**		*595,000*
Total comprehensive income			**1,524,722**		*3,572,779*

The results for the year relate wholly to continuing activities.

The financial statements were authorised for issue by the Board on 21 August 2023 and are signed on their behalf by:

Lindsay Forrest [redacted] Chairperson

Valerie Wilson [redacted] Board member

Rebecca Wilson [redacted] Secretary

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

			2023		2022
Tangible fixed assets	**Notes**	**£**	**£**	£	£
Housing properties	15		**76,079,093**		*71,163,538*
Other fixed assets	17		**1,470,559**		*1,506,634*
			77,549,652		*72,670,172*
Negative goodwill	11		**(9,295,888)**		*(9,560,546)*
Investments					
Investment in subsidiary	18		**1**		*1*
Current assets					
Stocks - NSSE	19	**1,117,149**		*263,875*	
Stock	19	**32,473**		-	
Debtors	20	**3,167,229**		*1,490,889*	
Cash and cash equivalents	21	**2,210,904**		*5,719,532*	
		6,527,755		*7,474,296*	
Creditors: amounts falling due within one year	22	**(4,086,024)**		*(3,973,759)*	
Net current assets			**2,441,731**		*3,500,537*
Total assets less current liabilities			**70,695,496**		*66,610,164*
Creditors: amounts falling due after more than one year	23		**(33,590,794)**		*(31,164,177)*
Scottish Housing Association Pension Scheme Liability	33		**(311,000)**		-
Strathclyde Pension Scheme liability	33		**95,000**		*(82,000)*
Net assets			**36,888,702**		*35,363,987*
Capital and reserves					
Share capital	25		**119**		*126*
Revenue reserve	26		**36,538,583**		*34,988,861*
Other reserve	26		**350,000**		*375,000*
			36,888,702		*35,363,987*

The financial statements were authorised for issue by the Board on 21 August 2023 and are signed on their behalf by:

Lindsay Forrest [redacted] Chairperson

Valerie Wilson [redacted] Board member

Rebecca Wilson [redacted] Secretary

The notes form part of these financial statements.

STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2023

	Share Capital £	Other Reserve £	Revenue Reserve £	Total £
Balance as at 1 April 2021	*128*	*410,000*	*31,381,082*	*31,791,210*
Issue of shares	*2*	-	-	*2*
Cancellation of shares	*(4)*	-	-	*(4)*
Total comprehensive income	-	-	*3,572,779*	*3,572,779*
Transfer		*(35,000)*	*35,000*	-
Balance as at 31 March 2022	*126*	*375,000*	*34,988,861*	*35,363,987*
Balance as at 1 April 2022	**126**	**375,000**	**34,988,861**	**35,363,987**
Issue of shares	**3**	**-**	**-**	**3**
Cancellation of shares	**(10)**	**-**	**-**	**(10)**
Total comprehensive income	**-**	**-**	**1,524,722**	**1,524,722**
Transfer	**-**	**(25,000)**	**25,000**	**-**
Balance as at 31 March 2023	**119**	**350,000**	**36,538,583**	**36,888,702**

The notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note		2023		*2022*
		£	£	*£*	*£*
Net cash generated from operating activities	**27**		**2,544,676**		*4,527,404*
Cash flow from investing activities					
Acquisition and construction of properties		**(7,019,412)**		*(11,959,693)*	
Purchase of other fixed assets		**(45,363)**		*(47,595)*	
Social housing grant received		**2,963,453**		*6,568,187*	
NSSE - cost		**(853,274)**		*(2,007,334)*	
NSSE – grant		**-**		*2,413,940*	
Proceeds on disposal of properties		**-**		*37,413*	
Proceeds on disposal of property, plant and equipment		**-**		*100*	
Interest received		**5,254**		*2,667*	
			(4,949,342)		*(4,992,315)*
Cash flow from financing activities					
Interest paid on loans and bank charges		**(757,965)**		*(728,693)*	
Share capital issued		**3**		*2*	
Payment of past service contributions		**(146,000)**		*(307,004)*	
Withdrawal / (increase) in investments		**-**		*623,361*	
Loans repaid		**(200,000)**		*(379,200)*	
			(1,103,962)		*(791,534)*
Net change in cash and cash equivalent			**(3,508,628)**		*(1,256,445)*
Opening cash and cash equivalents			**5,719,532**		*6,975,977*
Closing cash and cash equivalents			**2,210,904**		*5,719,532*

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

Analysis of net debt

	At 1 April 2022	**Cash flows**	**Non-cash movements**	**At 31 March 2023**
Cash and cash equivalents	*£*	**£**	**£**	**£**
Cash	*4,629,299*	**(3,618,191)**	**-**	**1,011,108**
Cash equivalents	*1,090,233*	**109,563**	**-**	**1,199,796**
	5,719,532	**(3,508,628)**	**-**	**2,210,904**
Investments	-	**-**	**-**	**-**
Borrowings				
Debt due within one year	*(388,200)*	**200,000**	**(28,920)**	**(217,120)**
Debt due after one year	*(10,365,585)*	**-**	**37,920**	**(10,327,665)**
	(10,753,785)	**200,000**	**9,000**	**(10,544,785)**
Net debt	*(5,034,253)*	**(3,308,628)**	**9,000**	**(8,333,881)**

The notes form part of these financial statements.

1. General information

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Housing Requirements as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018. The principal accounting policies are set out below.

The preparation of these financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (note 3).

The presentational currency is pound sterling, and the financial statements are rounded to the nearest whole number.

The Association is a Co-operative and Community Benefit Society Limited by shares and is incorporated in Scotland. The Association is a registered social landlord (HCB159) and a registered charity (SC032468). The registered address is 45 Garrioch Road, Maryhill, Glasgow, G20 8RG.

The Association is defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities.

2. Principal accounting policies

a) Basis of accounting

The financial statements are prepared under the historical cost convention, subject to the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

The effect of events relating to the year ended 31 March 2023, which occurred before the date of approval of the financial statements by the Board has been included in the financial statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2023 and of the results for the year ended on that date.

b) Group financial statements

The Association has a fully owned subsidiary, Maryhill Living Limited which is dormant and thus Group financial statements have not been prepared.

c) Going concern

The Board of Management has a reasonable expectation that the Association has adequate resources, based on a review of long-term forecasts to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Principal accounting policies (continued)

d) Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from the Scottish Government, Glasgow City Council and other agencies. Also included are management fees for the factoring of properties for private owners as the provision of factoring services is accounted for on an agency basis. First tranche shared ownership sales are also included in turnover.

e) Apportionment of management expenses

Direct employee, administration and operating expenditure have been apportioned to the relevant sections of the Statement of Comprehensive Income on the basis of costs of staff directly attributable to the operations dealt with in the financial statements.

The costs of cyclical and major repairs are charged to the Statement of Comprehensive Income in the year which they are incurred.

f) Interest receivable and other income

Interest receivable is recognised in the Statement of Comprehensive Income on an accrual's basis.

g) Interest payable and similar expenses

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

h) Tangible fixed assets - Housing properties

Housing properties are stated at cost less accumulated depreciation. Housing under construction and land are not depreciated. The Association depreciates housing properties by major component on a straight-line basis over the estimated useful economic lives of each identified component. Depreciation is charged in the month following acquisition. All components are categorised as Housing Properties within note 15. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the depreciated replacement amount.

<u>Capitalisation limit</u>

A housing component is an asset which costs £1,000 including VAT or more to purchase, with a useful life of more than one year; or assets of a lesser value may be capitalised if they form part of a group, with a group value in excess of £1,000 including VAT with an individual value greater than £250.

2. Principal accounting policies (continued)

Component	New Useful Economic Life
Structure	60 years
Roofing	60 years
Guttering/downpipes	30 years
Exterior walls	40 years
Windows	30 years
Balconies	50 years
Front Door Flat	60 years
Front and Rear Door House	25 years
Close Entry Door	20 years
Balcony Door Flat	35 years
Floor finish	50 years
Common Area Door	30 years
Kitchens	20 years
Bathrooms	30 years
Central heating – pipes & radiators	30 years
Central heating – boilers	15 years
Central heating – electric storage	30 years
ASHP	25 years
Water Tanks	30 years
Electrics	30 years
Communal lighting	20 years
Lifts	30 years

*Not previously recognised as a separate component.

i) Tangible fixed assets – Other fixed assets

Capitalisation limit

A fixed asset is an asset which costs £250 including VAT or more to purchase, with a useful life of more than one year; or assets of a lesser value may be capitalised if they form part of a group, with a group value in excess of £250 including VAT with and individual value greater than £100.

Other fixed 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: -

	Useful Economic Life
Offices premises	60 years
Furniture & Fittings	8 years
Portable Equipment	3 years
Static Equipment	5 years
Motor vehicles	4 years

The carrying value of other fixed assets is reviewed for impairment at the end of each reporting period.

2. Principal accounting policies (continued)

j) New Supply Shared Equity

Shared equity units are held in stock along with the grant received. On completion of the first tranche sale which is recognised in turnover, the Association's obligations ceases, and the remaining cost and grant are derecognised.

k) Negative goodwill

Negative goodwill created through acquisition is written-off to the Statement of Comprehensive Income as the housing units acquired are depreciated or sold.

l) Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

m) Investment properties

Investment properties are held at market value with any changes in market value recognised in the Statement of Comprehensive Income.

n) Debtors

Short term debtors are measured at transaction price, less any impairment.

o) Rental arrears

Rental arrears represent amounts due by tenants for the rental of social housing properties at the year-end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in note 20.

p) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Principal accounting policies (continued)

q) Financial instruments

The Association only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets are derecognised when contractual rights to the cash flows from the assets expire, or when the Association has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation, or expiry.

r) Government capital grants

Government capital grants, at amounts approved by The Scottish Government or Glasgow City Council, are paid directly to the Association as required to meet its liabilities during the development process. This is treated as a deferred capital grant and is released to income in accordance with the accrual model over the useful life of the asset it relates to on completion of the development phase. The accrual model requires the Association to recognise income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

s) Government revenue grants

Government revenue grants are recognised using the accrual model which means the Association recognises the grant in income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

t) Non-government capital and revenue grants

Non-government capital and revenue grants are recognised using the performance model. If there are no performance conditions attached the grants are recognised as revenue when the grants are received or receivable.

A grant that imposes specific future performance related conditions on the recipient is recognised as revenue only when the performance related conditions are met.

A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

u) Development administration costs

Development administration costs relating to development activities are capitalised based on an apportionment of the staff time spent directly on this activity.

2. Principal accounting policies (continued)

w) Pension costs (note 33)

Scottish Housing Associations' Pension Scheme (SHAPS)

The Association is a member of the Scottish Housing Associations' Pension Scheme (SHAPS) Defined Contribution Pension Scheme with the pension offer to staff being a choice of either the standard defined contribution scheme, which is also used for auto-enrolment, or an enhanced defined contribution scheme. These two defined contribution options are for all existing and new employees, outwith those that are members of the Strathclyde Pension Fund. The cost of the employer's contributions is charged to the Statement of Comprehensive Income on an accrual's basis.

The Association closed the SHAPS Defined Benefits Pension Scheme on 1 April 2022 with all employee members transferring into one of the two SHAPS Defined Contribution Pension Scheme options above from that date. Defined benefit entitlements accrued up to 31 March 2022 were retained and payments by the Association in respect of any past service liabilities continue. The retained retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

The SHAPS is accounted for as a defined benefit scheme and as such the amount charged to the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost is included within other finance costs/income. Actuarial gains and losses arising from new valuations and from updating valuations to the reporting date are recognised in Other Comprehensive Income.

Strathclyde Pension Fund

The Strathclyde Pension Fund is accounted for as a defined benefit scheme. In accordance with FRS 102, the operating and financing costs of pension and post retirement schemes (determined by a qualified actuary) are recognised separately in the Statement of Comprehensive Income. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise.

Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each reporting date.

The amount charged to the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost is included within other finance costs/income. Actuarial gains and losses arising from new valuations and from updating valuations to the reporting date are recognised in Other Comprehensive Income.

The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability.

3. Judgements in applying policies and key sources of estimation uncertainty

Estimation Uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The members of the Board consider the following to be critical judgements in preparing the financial statements:

- The categorisation of housing properties as property, plant and equipment in line with the requirements of the SORP;
- The amount disclosed as 'operating surplus' is representative of activities that would normally be regarded as 'operating'; and
- The identification of a cash-generating unit for impairment purposes.

The Board is satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate	Basis of estimation
Valuation of housing properties	Housing properties are held at deemed cost which is based on an existing use valuation at the date of transition to FRS 102 of 1 April 2014.
Useful lives of property, plant, and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management at the Association, with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and are based on costing models.
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.
The obligations under the SHAPS pension scheme and Strathclyde pension scheme	These have relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.
The valuation of investment properties	The investment properties were valued by an appropriately qualified surveyor using market data at the date of valuation.

4. Particulars of turnover, operating expenditure, and operating surplus or (deficit)

	Note	2023			*2022*		
		Turnover £	**Operating Expenditure £**	**Operating Surplus £**	*Turnover £*	*Operating Expenditure £*	*Operating Surplus £*
Social lettings	5	**14,332,035**	**12,163,889**	**2,168,146**	*13,657,888*	*10,774,000*	*2,883,888*
Other activities	6	**284,620**	**218,991**	**65,629**	*302,660*	*239,354*	*63,306*
Total		**14,616,655**	**12,382,880**	**2,233,775**	*13,960,548*	*11,013,354*	*2,947,194*

5. Particulars of turnover, operating expenditure and operating surplus from social letting activities

	General Needs Housing £	Shared Ownership £	2023 Total £	*Restated 2022 Total £*
Revenue from lettings				
Rent receivable net of service charges	**13,636,639**	**30,314**	**13,666,953**	*13,077,756*
Service charges	**115,416**	**3,321**	**118,737**	*100,230*
Gross income from rent and service charges	**13,752,055**	**33,635**	**13,785,690**	*13,177,986*
Less: Rent losses from voids	**(115,943)**	**-**	**(115,943)**	*(143,412)*
Net rents receivable	**13,636,112**	**33,635**	**13,669,747**	*13,034,574*
Release of deferred Government capital grants	**422,728**	**-**	**422,728**	*340,230*
Revenue grants from Scottish Ministers (Stage 3 adaptions)	**57,350**	**-**	**57,350**	*49,038*
Other revenue grants	**182,210**	**-**	**182,210**	*234,046*
Total turnover from social letting activities	**14,298,400**	**33,635**	**14,332,035**	*13,657,888*
Expenditure on social letting activities				
Management and maintenance administration costs	**5,955,862**	**14,567**	**5,970,429**	*5,397,657*
Service costs	**110,707**	**-**	**110,707**	*111,657*
Planned and cyclical maintenance, including major repairs	**1,477,800**	**-**	**1,477,800**	*1,245,535*
Reactive maintenance costs	**2,338,957**	**-**	**2,338,957**	*2,019,945*
Bad debt – rents and service charges	**162,139**	**-**	**162,139**	*125,782*
Depreciation of social let properties	**2,009,517**	**8,991**	**2,018,508**	*1,873,424*
Aborted development project costs	**85,349**	**-**	**85,349**	*-*
Operating expenditure of social letting activities	**12,140,331**	**23,558**	**12,163,889**	*10,774,000*
Operating surplus on social letting activities 2023	**2,158,069**	**10,077**	**2,168,146**	
Operating surplus on social letting activities 2022	*2,873,400*	*10,488*		*2,883,888*

The depreciation charges of social let properties in the year was £1,988,066 (*2022: £1,845,590*). The net book value of disposed components was £30,443 (*2022: £27,834*).

Prior year adjustment

In the prior year £679,402 of void repairs was included in planned and cyclical maintenance, including major repairs expenditure in note 5 of the financial statements.

This should have been included as reactive maintenance costs. This comparative has been corrected in these financial statements.

This did not impact the previously stated surplus or net assets.

6. Particulars of turnover, operating expenditure and operating surplus or (deficit) from other activities

	Other Income £	Total Turnover £	Operating Expenditure - Bad Debts £	Operating Expenditure - Other £	Operating Surplus or (Deficit) 2023 £	*Operating Surplus or (Deficit) 2022 £*
Factoring	**140,511**	**140,511**	**27,214**	**139,095**	**(25,798)**	*(20,433)*
Development and construction of property activities	**47,486**	**47,486**	**-**	**47,486**	**-**	*-*
Commercial properties	**24,157**	**24,157**	**-**	**-**	**24,157**	*23,408*
Radio mast income	**30,413**	**30,413**	**-**	**-**	**30,413**	*24,550*
Sundry activities	**42,053**	**42,053**	**-**	**5,196**	**36,857**	*35,781*
Total from other activities 2023	**284,620**	**284,620**	**27,214**	**191,777**	**65,629**	
Total from other activities 2022	*302,660*	*302,660*	*11,304*	*228,050*		*63,306*

7. Employees

Staff costs during year:	**2023** **£**	*2022* *£*
Wages and salaries	**3,207,213**	*3,031,292*
Social security costs	**316,949**	*293,543*
Pension costs	**340,641**	*231,624*
Defined benefit pension charge – SHAPS (Note 33)	**8,000**	*9,000*
Strathclyde Pension Fund service cost (Note 33)	**67,000**	*90,000*
Temporary, agency and seconded staff	**111,130**	*57,455*
Staff recruitment costs	**118,263**	*16,993*
	4,169,196	*3,729,907*

The SHAPS liability is subject to remeasurement each financial year.

During the past year, past service deficit contributions of £146,101 (*2022: £275,905*) were paid. Of this payment £137,462 (*2022: £267,265)* was a payment in respect of the SHAPS past service deficit liability. Following the previous remeasurement, these payments ceased from October 2022. The remainder of £8,639 (*2022: £8,639*) was pension management costs which have been included in the pension contributions total included in staff costs above.

The unwinding of the SHAPS discount has been credited to finance costs (note 13) in the Statement of Comprehensive Income. This finance income was £nil (*2022: cost of £15,000*) in the year.

	2023 **No.**	*2022* *No.*
The average monthly number of full time equivalent employees during the year was	**93**	*92*
The average total number of employees employed during the year was	**101**	*98*

8. Directors' emoluments

The directors are defined as the members of the Board, the Chief Executive and any other person reporting directly to the Chief Executive or the Board whose total emoluments exceed £60,000 per year. No emoluments were paid to any member of the Board during the year. The Association considers key management personnel to be the members of the Board and the senior management team (as listed on the first page of the financial statements) of the Association only.

	2023 **£**	*2022* *£*
Aggregate emoluments payable to the key management team (and the only employees whose emoluments exceeded £60k) amounted to:	**247,281**	*232,759*

Total pension contributions to the key management team were £26,370 (*2022: £23,276*). The Social Security costs for these individuals were £29,966 (*2022: £28,340)*. This does not include an element of the SHAPs past service deficit repayment. No enhanced or special terms apply to membership and the key management team have no other pension arrangements to which the Association contributes.

8. Directors' emoluments (continued)

	2023	2022
	£	£
Total emoluments payable to the current Chief Executive (excluding pension contributions) amounted to:	**93,965**	*89,831*
Pension contributions payable to the current Chief Executive (excluding past service deficit repayments	**10,574**	*8,938*

The Chief Executive is a member of the SHAPs pension scheme as detailed in note 33.

The numbers of officers including the highest paid officer who received emoluments (excluding pension contributions but including payments for loss of office) in the following ranges were:	2023 Number	2022 Number
£60,001 - £70,000	**-**	*1*
£70,001 - £80,000	**2**	*1*
£80,001 - £90,000	**-**	*1*
£90,001 - £100,000	**1**	-
£100,001 - £120,000	**-**	-
£120,001 - £130,000	**-**	-

9. Surplus for year before tax

The surplus/(deficit) before tax is stated after charging/(crediting): -	2023 £	2022 £
Depreciation – Housing properties	**1,988,066**	*1,845,590*
Depreciation – loss on disposal of components	**30,443**	*27,834*
Depreciation – Other fixed assets	**56,435**	*53,800*
External auditor's remuneration – Audit services excluding VAT	**17,250**	*16,020*
External auditor's remuneration – corporation tax compliance excluding VAT	**1,530**	*300*
Operating lease rentals	**1,918**	-

10. Gain on sale of housing stock

	2023	2022
	£	£
Sales proceeds	**-**	*37,413*
Net book value of disposals	**-**	*(4,145)*
Gain on sale of housing stock	**-**	*33,268*

11. Negative goodwill

	2023	2022
	£	£
Gross Goodwill		
At 1 April 2022	**(12,690,347)**	*(12,690,347)*
At 31 March 2023	**(12,690,347)**	*(12,690,347)*
Amortisation		
At 1 April 2022	**3,129,801**	*2,897,683*
Amortisation charge for year	**264,658**	*232,118*
At 31 March 2023	**3,394,459**	*3,129,801*
Net book value at 31 March 2023	**(9,295,888)**	*(9,560,546)*

12a. Interest receivable and similar income

	2023	2022
	£	£
Bank interest	**5,254**	*2,667*

12b. Interest payable and similar charges

	2023	2022
	£	£
On bank loans	**595,786**	*575,935*
Bank charges - non utilisation fees	**153,179**	*152,758*
	748,965	*728,693*

Offset within interest payable on bank loans is a £25,008 (*2022: £25,008*) credit in respect of the release of the cash incentive received when the loans were originally financed with RBS. This is being written off over the 20 year fixed term period. Included above is a £16,008 *(2022: £16,004)* charge in respect of the amortisation of loan arrangement fees in the year.

13. Other finance charges

	2023	2022
	£	£
Strathclyde Pension Fund – finance charge (note 33)	**3,000**	*13,000*
SHAPS – unwinding of discount (note 33)	**-**	*15,000*
	3,000	*28,000*

14. Tax on surplus

The Association is a Scottish Charity and thus its charitable activities are not subject to tax in both 2022 and 2023. No (*2022: £Nil*) corporation tax is due on the Association's non-charitable activities.

15. Tangible fixed assets – Housing properties

	Housing properties held for letting	Housing properties in course of construction	Completed shared ownership properties	Total
	£	£	£	£
Cost				
As at 1 April 2022	**76,833,660**	**12,258,771**	**269,725**	**89,362,156**
Additions during year				
Property	**2,364,845**	**2,750,042**	**-**	**5,114,887**
Components	**1,904,525**	**-**	**-**	**1,904,525**
Transfers between housing properties	**5,291,296**	**(5,291,296)**	**-**	**-**
Disposals during year				
Property	**-**	**(85,349)**	**-**	**(85,349)**
Components	**(184,396)**	**-**	**-**	**(184,396)**
As at 31 March 2023	**86,209,930**	**9,632,168**	**269,725**	**96,111,823**
Depreciation				
As at 1 April 2022	**18,126,218**	**-**	**72,400**	**18,198,618**
Charge for year	**1,979,075**	**-**	**8,991**	**1,988,066**
On disposals during year	**-**	**-**	**-**	**-**
Property	**-**	**-**	**-**	**-**
Components	**(153,954)**	**-**	**-**	**(153,954)**
As at 31 March 2023	**19,951,339**	**-**	**81,391**	**20,032,730**
Net Book Value				
As at 31 March 2023	**66,258,591**	**9,632,168**	**188,334**	**76,079,093**
As at 31 March 2022	*58,707,442*	*12,258,771*	*197,325*	*71,163,538*

Additions to housing properties include capitalised development administration costs of £211,476 (*2022: £121,315*). The amount spent on maintenance of housing properties held for letting can be seen in note 5.

Total expenditure on existing and new properties in the year amounted to £10,836,169 (*2022: £15,225,173*). The amount capitalised is £7,019,412 (*2022: £11,959,693*), with the balance charged to the Statement of Comprehensive Income.

The Association's Lenders have standard securities over housing property with a carrying value of £25,236,115 (*2022: £24,069,089*).

16a. Housing stock

The number of units of accommodation in management at the year-end was: -	**2023 No.**	*2022 No.*
General needs – New Build	**590**	*568*
General needs – Rehabilitation	**2,501**	*2,476*
Shared ownership	**14**	*14*
	3,105	*3,058*

16b. Investment properties

The number of units of accommodation in management at the year-end was: -	**2023 No.**	*2022 No.*
Lock ups	**78**	*78*
Shops	**1**	*1*
	79	*79*

17. Tangible fixed assets - Other fixed assets

	Investment Properties £	**Office Premises £**	**Furniture, Fittings & Equipment £**	**Motor Vehicles £**	**Total £**
Cost					
As at 1 April 2022	**375,000**	**1,679,790**	**521,471**	**54,602**	**2,630,863**
Additions	**-**	**-**	**45,363**	**-**	**45,363**
Transfers/ Valuation	**(25,000)**	**-**	**-**	**-**	**(25,000)**
Disposals	**-**	**-**	**-**	**-**	**-**
As at 31 March 2023	**350,000**	**1,679,790**	**566,834**	**54,602**	**2,651,226**
Depreciation					
As at 1 April 2022 as	**-**	**637,067**	**458,993**	**28,169**	**1,124,229**
Charge for year	**-**	**23,758**	**25,928**	**6,752**	**56,438**
Disposals	**-**	**-**	**-**	**-**	**-**
As at 31 March 2023	**-**	**660,825**	**484,921**	**34,921**	**1,180,667**
Net Book Value					
As at 31 March 2023	**350,000**	**1,018,965**	**81,913**	**19,681**	**1,470,559**
As at 31 March 2022	*375,000*	*1,042,723*	*62,478*	*26,433*	*1,506,634*

The fair value as at 31 March 2023 of the investment properties held totalled £350,000 *(2022: £375,000).* This is based on a valuation performed by Cushman & Wakeman in July 2021. The Management Committee consider this to be reflective of the fair value at 31 March 2023.

18. Investments

	2023	*2022*
	£	*£*
Investment in subsidiary		
As at 31 March 2023 & 31 March 2022	**1**	*1*

The Association has a 100% owned subsidiary, Maryhill Living Limited.

The company was incorporated on 26 April 2011 and has not traded since incorporation.

The aggregate amount of capital and reserves and the results of Maryhill Living Limited for the year ended 31 March 2023 were as follows:

	2023	*2022*
	£	*£*
Capital & reserve	**1**	*1*
Profit for the year	**-**	*-*

19. Stock – Shared equity housing units

	2023
Cost	**£**
At April 2022	**2,738,077**
Additions	**853,274**
At 31 March 2023	**3,591,351**
SHG and other Grants	
At April 2022	**2,474,202**
Received during the year	**-**
At 31 March 2023	**2,474,202**
Net Book Value	
At 31 March 2023	**1,117,149**
At 31 March 2022	**263,875**

The stock represents the net book value (costs less grants) of 18 *(2022:18)* NSSE (New Supply Shared Equity) housing units whose first tranches have still to be sold.

In addition to the shared equity housing units, the Association also holds materials in stock to the value of £32,473 (2022 £nil).

20. Debtors

	2023 £	*2022 £*
Arrears of rent & service charges	**783,602**	*795,273*
Less: Provision for doubtful debts	**(553,582)**	*(540,237)*
	230,020	*255,036*
Factoring arrears	**192,376**	*135,810*
Prepayments	**161,543**	*133,628*
Accrued income	**2,359,203**	*840,112*
Other debtors	**224,087**	*126,303*
	3,167,229	*1,490,889*

21. Cash and cash equivalents

	2023 £	*2022 £*
Cash at bank and in hand	**1,011,108**	*4,629,299*
Cash equivalents – short term deposits	**1,199,796**	*1,090,233*
	2,210,904	*5,719,532*

22. Creditors: amounts falling due within one year

	2023	*2022*
	£	*£*
Bank loans	**217,120**	*388,200*
Trade creditors	**2,070,313**	*1,792,238*
Rent in advance	**671,035**	*635,130*
Other taxation and social security	**77,439**	*76,669*
Amounts due to group undertakings	**1**	*1*
Retention creditors	**277,926**	*226,373*
Accruals and deferred income	**212,033**	*372,292*
HAG creditor	**136,316**	*136,316*
Other creditors	**1,113**	-
Deferred Government capital grant (note 24)	**422,728**	*346,540*
	4,086,024	*3,973,759*

23. Creditors: amounts falling due after more than one year

	2023	*2022*
	£	*£*
Bank loans	**10,327,665**	*10,365,585*
Deferred Government capital grant (note 24)	**23,263,129**	*20,798,592*
	33,590,794	*31,164,177*
Bank loans (< 1 year and > 1 year)		
Amounts due within one year	**217,120**	*388,200*
Amounts due in one year or more but less than two years	**234,540**	*209,000*
Amounts due in two year or more but less than five years	**789,540**	*700,660*
Amounts due in more than five years	**9,303,585**	*9,455,925*
	10,544,785	*10,753,785*

Bank loans are secured by specific charges on the Association's properties and are repayable at rates of interest between 4.32% and 6.83% in instalments. The loans are due to be repaid in full by 8 June 2041. Included in the loan balance is £199,957 (*2022: £224,981*) of a cash incentive which is being amortised and credited to interest over the 20 year fixed loan period, and £95,972 (*2022: £111,996)* of arrangement fees which are being released over the 10 year fixed term loan period.

24. Deferred Government capital grants

	2023 £	2022 £
Gross deferred Government capital grants		
At 1 April 2022	**23,387,594**	*16,819,407*
Addition in year	**2,963,453**	*6,568,187*
At 31 March 2023	**26,351,047**	*23,387,594*
Amortisation		
At 1 April 2022	**(2,242,462)**	*(1,895,922)*
Amortised in year	**(422,728)**	*(346,540)*
At 31 March 2023	**(2,665,190)**	*(2,242,462)*
Net book value at 31 March 2023	**23,685,857**	*21,145,132*

This is expected to be released to the Statement of Comprehensive Income in the following years:

	2023 £	2022 £
Amounts due within one year	**422,728**	*346,540*
1-2 years	**594,395**	*566,199*
2-5 years	**1,976,258**	*1,831,000*
> 5 years	**20,692,476**	*18,401,393*
	23,263,129	*20,798,592*
Total	**23,685,857**	*21,145,132*

25. Share capital

	2023 £	2022 £
Shares of £1 each issued and fully paid		
At 1 April 2022	**126**	*128*
Issued during the year	**3**	*2*
Cancelled during the year	**(10)**	*(4)*
At 31 March 2023	**119**	*126*

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.

26. Reserves

Revenue reserve

The revenue reserve includes all current and prior year retained surpluses or deficits.

Other reserve

The other reserve represents the cumulative gain or loss on the revaluation of investment properties.

27. Net cash generated from operating activities

Reconciliation of operating surplus to net cash generated from operating activities	**2023** **£**	*2022* *£*
Operating surplus	**2,233,775**	*2,947,194*
Depreciation including loss on disposal of components	**2,074,946**	*1,927,225*
Amortisation of deferred Government capital grants	**(422,728)**	*(346,540)*
Movement in debtors	**(1,676,340)**	*(676,130)*
Movement in creditors	**207,157**	*576,659*
SHAPS – remeasurements	**8,000**	*9,000*
Strathclyde Pension Fund service cost	**67,000**	*90,000*
Aborted development admin costs	**85,349**	-
Increase in stock	**(32,473)**	-
Share cancelled	**(10)**	*(4)*
Net cash generated from operating activities	**2,544,676**	*4,527,404*

28. Related party transactions

Some members of the Board are tenants of the Association. The tenancies of these Board Members are on normal terms and the members cannot use their position to their advantage.

The total rent and service charge payable in the year relating to tenant Board members is £18,313 *(2022: £20,486*).

At the year-end total rent arrears owed by the tenant Board members were £110 (*2022: £192*). Prepaid rent at the year-end was £782 (*2022: £39*).

29. Legislative provisions

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014.

30. Capital commitments

	2023 **£**	*2022* *£*
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**6,379,260**	*5,754,867*

The above commitments will be financed by:

Association's reserves	**4,081,967**	*881,743*
HAG	**2,297,293**	*4,873,124*
	6,379,260	*5,754,867*

31. Commitments under operating leases

	2023	*2022*
	£	*£*
At the year-end, the total future minimum lease payments under non-cancellable operating leases were as follows: -		
Not later than one year	**1,199**	*332*
Later than one year and not later than five years	**1,798**	*1,439*
Later than five years	**-**	-
	2,997	*1,771*

32. Governing body member emoluments

Board members received £86 in the year by way of reimbursement of expenses (*2022: £145*).
No (*2022: £Nil*) remuneration was paid to Board members in respect of their duties in the Association.

33. Pensions

Scottish Housing Association Pension Scheme (SHAPS)

Maryhill Housing Association Limited (the 'Association') participates in the Scottish Housing Association Pension Scheme (SHAPS) (the "Scheme"). The Scheme is a multi-employer defined benefit scheme. There are six benefit structures available, namely:

(a) Final salary with a 1/60th accrual rate.
(b) Career average revalued earnings with a 1/60th accrual rate.
(c) Career average revalued earnings with a 1/70th accrual rate.
(d) Career average revalued earnings with a 1/80th accrual rate.
(e) Career average revalued earnings with a 1/120th accrual rate, contracted-in; and
(f) Defined contribution (DC) option.

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. The DC option can be introduced by the employer on the first day of any month after giving a minimum of three months' prior notice.

The Association has elected to operate two DC options; an Auto Enrolled and an Enhanced Scheme for new and existing members, with the contribution rates being: Auto Enrolled employee 3%, employer 6%, Enhanced Scheme employee 5%, employer 10%.

The defined benefit Career Average revalued earnings with a 1/80th accrual rate option was closed with effect from 1 April 2020 with existing employee members transferring into one of the above DC options at that date. Therefore, the Association is incurring no future accruals in respect of any SHAPS defined benefit scheme with effect from 1 April 2020 however employee members retain any defined benefit pension benefits accrued up to that date.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, so that the Scheme can meet its pension obligations as they fall due.

33. Pensions (continued)

The SHAPS defined benefit pension liability is accounted for as a defined benefit pension scheme. In accordance with FRS 102 section 28, the operating and financing costs of pension and post retirement schemes (determined by TPT) are recognised separately in the Statement of Comprehensive Income. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The difference between actual and expected returns on assets during the year, including changes in the actuarial assumptions, is recognised in Other Comprehensive Income.

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of the changes. The Trustee is seeking clarification from the Court on these items, and the process is ongoing with it being unlikely to be resolved before the end of 2024 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £27m. We note that the estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis.

Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements.

33. Pensions (continued)

	31 March 2023 £'000	31 March 2022 £'000
Fair value of plan assets	6,267	9,828
Present value of defined benefit obligation	(6,578)	(9,828)
Defined benefit liability to be recognised	**(311)**	-

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Defined benefit obligation at start of period	9,828	10,701
Current service cost	-	-
Expenses	8	9
Interest expense	268	230
Contributions by plan participants	-	-
Actuarial gains due to scheme experience	(371)	59
Actuarial losses/(gains) due to changes in demographic assumptions	(165)	33
Actuarial gains/(losses) due to changes in financial assumptions	(2,564)	(875)
Benefits paid and expenses	(426)	(329)
Defined benefit liability at the end of the period	**6,578**	**9,828**

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

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Fair value of plan assets at start of the period	9,828	9,867
Interest income	268	215
Experience on plan assets (excluding amounts included in interest incor gain	(3,549)	(223)
Contributions by the employer	146	298
Contributions by plan participants	-	-
Benefits paid and expenses	(426)	(329)
Fair value of plan assets at end of period	**6,267)**	9,828

33. Pensions (continued)

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31 March 2023 £'000	*Year ended 31 March 2022 £'000*
Current service cost	**-**	*-*
Admin expenses	**8**	*9*
Net interest expense	**-**	*15*
Defined benefit costs recognised in Statement of Comprehensive Income	**8**	*24*

Defined benefit costs recognised in Other Comprehensive Income

	Year ended 31 March 2023 £'000	*Year ended 31 March 2022 £'000*
Experience on plan assets (excluding amounts included in net interest cost) – (loss)	**(3,549)**	*(124)*
Experience gains and losses arising on the plan liabilities – gain/(loss)	**371**	*(59)*
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	**165**	*(33)*
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	**2,564**	*875*
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable – (loss)/gain	**(449)**	*659*
Effects of changes in the amount of surplus that is not recoverable (excluding Amounts included in net interest cost) – (loss)/gain	**-**	*(99)*
Total amount recognised in other comprehensive income – gain/(loss)	**(449)**	*560*

33. Pensions (continued)

Fund allocation for employer's calculated share of assets

	31 March 2023	*31 March 2022*
	£'000	*£'000*
Global Equity	**165**	*1,963*
Absolute Return	**85**	*455*
Distressed Opportunities	**193**	*356*
Credit Relative Value	**239**	*318*
Alternative Risk Premia	**36**	*410*
Emerging Markets Debt	**48**	*369*
Risk Sharing	**457**	*324*
Insurance-Linked Securities	**175**	*208*
Property	**261**	*257*
Infrastructure	**675**	*620*
Private Debt	**280**	*250*
Opportunistic Illiquid Credit	**277**	*329*
High Yield	**32**	*96*
Opportunistic Credit	**-**	*35*
Cash	**26**	*28*
Corporate Bond Fund	**8**	*627*
Liquid Credit	**-**	*64*
Long Lease Property	**210**	*286*
Secured Income	**419**	*530*
Over 15 Year Gilts	**-**	*4*
Index Linked All Stock Gilts	**-**	*-*
Liability Driven Investment	**2,655**	*2,402*
Currency Hedging	**12**	*(36)*
Net Current Assets	**14**	*32*
Less: surplus cap	**-**	*(99)*
Total Assets	**6,267**	*9,828*

33. Pensions (continued)

The main financial assumptions used by the Scheme Actuary, TPT, in their FRS 102 calculations are as follows:

Assumptions as at	**31 March 2023 % Per annum**	**31 March 2022 % Per annum**
Discount rate	**4.87%**	*2.79%*
Inflation (RPI)	**3.19%**	*3.54%*
Inflation (CPI)	**2.75%**	*3.17%*
Salary growth	**3.75%**	*4.17%*
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	2023 Life expectancy at age 65 (Years)	**2022 Life expectancy at age 65 (Years)**
Male retiring in 2023	20.5	21.6
Female retiring in 2023	23.0	23.9
Male retiring in 2041	21.9	22.9
Female retiring in 2041	24.4	25.4

Active members

	Number	**Total earnings (£'000s p.a.)**	**Average age (unweighted)**
Males	4	**150**	40
Females	11	**562**	49
Total	15	**712**	47

Deferred members

	Number	**Deferred pensions (£'000s p.a.)**	**Average age (unweighted)**
Males	13	32	48
Females	26	74	50
Total	39	106	49

Pensioners

	Number	**Pensions (£'000s p.a.)**	**Average age (unweighted)**
Males	23	172	69
Females	12	100	66
Total	35	213	68

33. Pensions (continued)

Employer debt on withdrawal

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e., the cost of securing the benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed the assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Association has been notified by TPT of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2022. As of this date the estimated employer debt for the Association was £2,616,719.

Strathclyde Pension Fund

Maryhill Housing Association Limited participates in the Strathclyde Pension Fund which is a statutory multi-employer defined benefit scheme. It is administered by Glasgow City Council in accordance with the Local Scheme (Scotland) Regulations 1998, as amended. Ten members of staff are members of the Scheme.

The main financial assumptions used by the Council's Actuary, Hymans Robertson, in their 2023 valuations are as follows:

Assumptions as at	31 March 2023	*31 March 2022*
Pension increase rate	**2.95%**	*3.15%*
Salary increase rate	**3.65%**	*3.85%*
Discount rate	**4.75%**	*2.75%*

Mortality

Life expectancy is based on the fund's VitaCurves with improvement in line with the CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	19.3 years	22.2 years
Future Pensioners	20.5 years	24.2 years

33. Pensions (continued)

Reconciliation of defined benefit obligation

Year Ended:	**31 Mar 2023**	*31 Mar 2022*
	£'000	*£'000*
Opening Defined Benefit Obligation	**4,092**	*4,280*
Current Service Cost	**98**	*126*
Past Service Cost	**-**	*-*
Interest Cost	**113**	*89*
Contributions by Members	**14**	*16*
Actuarial (gains)/losses	**(1,679)**	*(384)*
Past Service (gains)/losses	**-**	*-*
Liabilities Extinguished on Settlements	**-**	*-*
Liabilities Assumed in a Business Combination	**-**	*-*
Exchange Differences	**-**	*-*
Estimated Unfunded Benefits Paid	**-**	*-*
Estimated Benefits Paid	**(46)**	*(35)*
Closing Defined Benefit Obligation	**2,592**	*4,092*

Reconciliation of fair value of employer assets

Year Ended:	**31 Mar 2023**	*31 Mar 2022*
	£'000	*£'000*
Opening Fair Value of Employer Assets	**4,010**	*3,706*
Expected Return on Assets	**110**	*76*
Contributions by Members	**14**	*16*
Contributions by the Employer	**31**	*36*
Contributions in respect of Unfunded Benefits	**-**	*-*
Actuarial (losses)/gains	**(1,432)**	*211*
Assets Distributed on Settlements	**-**	*-*
Assets Acquired in a Business Combination	**-**	*-*
Exchange Differences	**-**	*-*
Estimated Unfunded Benefits Paid	**-**	*-*
Estimated Benefits Paid	**(46)**	*(35)*
Closing Fair Value of Employer Assets	**2,687**	*4,010*
Net pension surplus/(liability)	**95**	*(82)*

33. Pensions (continued)

Analysis of amounts included in Statement of Comprehensive Income

Year Ended:	**2023 £ (000)**	*2022 £ (000)*
Expected Return on pension scheme assets	**110**	*76*
Interest on pension scheme liabilities	**(113)**	*(89)*
Net Return – finance charge	**(3)**	*(13)*

	2023 £ (000)	*2022 £ (000)*
Current service cost	**(98)**	*(126)*
Past service cost	**-**	*-*
Contribution by employers	**31**	*36*
Charge to staff costs	**(67)**	*(90)*

The expected Employer's contributions for the year to 31 March 2023 will be approximately £43,000.

Analysis of amount recognised in Statement of Comprehensive Income

	2023 £ (000)	*2022 £ (000)*
Actual return less expected return on scheme assets	**(1,432)**	*211*
Changes in assumptions underlying the present value of scheme liabilities	**1,893**	*394*
Other experience	**(214)**	*(10)*
Actuarial gain recognised in other comprehensive income	**247**	*595*

34. Contingency

The Association's 30-year business plan contains a contingency sum of £5m in 2024/25 for the potential contribution towards the costs which might be required in the event the render at 3 high rise properties is found to require replacement. The Association is currently progressing legal action/mediation with the contractors involved in the original render installation to assess and decide liability for the apparent failing render. The contingency sum may therefore not be incurred depending on the outcome of the legal action/mediation.