

**MARYHILL HOUSING ASSOCIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2024

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

MARYHILL HOUSING ASSOCIATION LIMITED

BOARD, EXECUTIVES AND ADVISERS

Board

Lindsay Forrest
Paul Imrie
Tim Holmes
Jenny Crowe
Valerie Wilson
Violet McDade
William McNeilly

Chair
Vice-chair

Sonia Jordan

Appointed to Board 20 September 2023 (Co-optee until 19 September 2023)

Appointed to Board 20 September 2023 (Co-optee until 19 September 2023)

John Brown

Appointed to Board 25 January 2024

Ash Sheikh

Appointed to Board 25 January 2024

Caitlyn Maccabe

Resigned 12 October 2023

Raphael Rickson

Resigned 30 September 2023

Isabella McTaggart

Resigned 20 September 2023

Co-optees

Aisha Kabir

Appointed 4 December 2023

Lyndsey Strang

Appointed 4 December 2023

Derek Ferguson

Appointed 25 January 2024

Registered Office

45 Garrioch Road
Maryhill
Glasgow
G20 8RG

Executive Officers

Rebecca Wilson

Director of Resources and Secretary (Interim CEO from 22 July 2024)

Jennifer Simon

Director of Operations

Bryony Willett

Chief Executive (Resigned 26 July 2024)

External auditor

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

Internal auditor

BDO
2 Atlantic Square
31 York Street
Glasgow
G2 8NJ

Bankers

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

Solicitors

T C Young
7 West George Street
Glasgow
G2 1BA

Harper McLeod LLP (to 1 May 2023)
The Ca'd'oro
45 Gordon Street
Glasgow
G1 3PE

Thorntons Law LLP (from 1 May 2023)
3rd Floor Citypoint
65 Haymarket Terrace
Edinburgh
EH12 5HD

Registration numbers

The Scottish Housing Regulator
Financial Conduct Authority
Registered Scottish Charity

HCB159
1904R(S)
SC032468

MARYHILL HOUSING ASSOCIATION LIMITED

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MARYHILL HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

The Board presents their report and the audited financial statements for the year ended 31 March 2024.

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 North West Glasgow.

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. Actions in the 2023/24 Governance Effectiveness Plan included recruitment and induction of new Board Members, and training ranging from the Regulatory Framework 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 2023/24 we successfully recruited and inducted five new Board members who are representative of our communities (two tenants and three independent members). We work with Registered Tenants Organisations (RTOs) and are committed to providing customers with opportunities to influence the organisation's future. In 2023/24 we achieved high numbers of responses to digital surveys ranging from rent consultation to changes to estate management policies. 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. The Association's approach to scrutiny was reviewed in 2023/24 and a new Panel comprising seven members is receiving training over summer 2024 ready to commence their first review in autumn 2024.

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 6 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 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 2023/24 annual Corporate Business Plan pulled together these strategic and service priorities, risks, and financial capacity into a single document. The Delivery Plan for 2023/24 set out tangible projects to be delivered during the year. This was approved by the Board in June 2023. 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.

MARYHILL HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

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

2023/24 was the second year of the 2022 – 2025 Corporate Plan and saw improvements in performance and delivery of key projects. Significant achievements in 2023/24 included:

- Recruitment and induction of five new Board Members who are reflective of our communities.
- Amending loan covenants to create significant increased capacity to invest in our homes.
- Successfully launching our externally grant funded Tenant Sustainment Service.
- Submitting proposals for the North Maryhill Transformational Regeneration Area (TRA) for planning permission in principle.
- Reducing staff turnover, sickness rates and bringing new trainee posts into the business.
- Working with Glasgow City Council to designate Hathaway Lane as a priority area – bringing grant funding and support to acquire properties.
- Owning and managing our first mid-market rent homes at Locks View and Hathaway Lane.
- Improving the management of our reactive repairs contract.
- Introducing a new Damp and Mould Policy and the ability to track performance operationally and strategically.
- Replacing all traditional electric storage heating systems in our homes.

However, this is offset against key challenges including:

- High staff turnover in our IT Team, impacting on our ability to deliver our Digital Strategy.
- Continued poor performance in reactive repairs and the lack of key functionality to support improved customer experience in repairs, e.g. for the majority of 2024/25 the Association's staff and customers could not book appointments for repairs.
- Poor performance in the time it takes to repair and let empty properties.
- Delays completing key People plans, e.g. People Strategy and talent management.

The Association submitted its Annual Assurance Statement in October 2023 and self-assessed as compliant. The Scottish Housing Regulator also assessed the Association as compliant in March 2024. In 2024/25 the Regulator will engage with the Association around render failure in our high-rise properties.

The Association's rents increased by less than inflation in April 2023 and less than the Association's key cost increases in April 2024. Value for money continues to be a key medium-term focus for Maryhill Housing Association, however the ability to achieve savings due to the current high inflation has proved challenging. The 2024/25 Business Plan does not set short-term savings targets. Medium term savings targets have been set at £400k per annum.

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The results for the year are shown in the Statement of Comprehensive Income. In the year to 31 March 2024 the Association made an operating surplus of £1,447,257, an overall surplus of £675,639 and had total comprehensive income of £385,639 due to a net actuarial loss on the defined benefit pension schemes of £290,000.

The Association had net assets of £46,5270,227 as at 31 March 2024.

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 completed replacement of all remaining traditional storage heaters with modern high heat retention storage heaters in March 2024.

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. Our Customer Contact Team has completed a comprehensive training programme during 2023/24 to ensure the majority of enquiries can be resolved at the first point of contact.

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 now provide a full paperless option for our Factored owners who can view and pay their factoring bills online. 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 was made available to our Customer Contact team again during 2023/24 and will be rolled out to customers in 2024/25.

In 2023/24 we continued our focus on developing our staff team. Our staff turnover and sickness levels reduced significantly in 2023/24 and we brought new trainees into the business including two new graduate roles. We are supporting staff through professional qualifications ranging from housing management, quantity surveying to finance and HR.

Enabling better lives

During 2023/24 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. Between 2020 and 2023 we secured over £1.2m in grant funding to support delivery of the Community Regeneration Strategy.

The Board approved our new Community Wellbeing Strategy in 2023 with a focus on supporting our customers through the ongoing cost of living crisis.

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REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

Consultation and involvement with tenants is vital to the Association and during 2023 the Board approved a new draft Customer Engagement Strategy. Customers were consulted on this during June 2024. This strategy sets out a menu of engagement options with a clear Digital First approach to maximise participation.

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 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.

During 2023/24 the Association delivered a number of projects in partnership with neighbouring Queens Cross Housing Association, including a joint online choice based lettings allocations system, Find My Home, jointly securing funding for continuation of our Energy Advice Service and jointly commissioning John Gilbert Architects to consider how to improve affordable warmth in our homes.

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

2023/24 we continued our £50k Hardship Fund launched in 2022/23 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 2023/24 channelling £40k back into the community.

In 2020 we reviewed our Customer Kitty customer grants and bursary scheme and in 2023/2024 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.

2023/24 saw the highest level of investment spend in our homes ever at Maryhill Housing. Key projects included windows renewals, boiler renewals and replacing all remaining outdated electric heating systems.

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

The Association's Board approved a new five year Investment Plan in March 2024 as part of our Corporate Business Plan. In 2024/25 our focus will be delivering health and safety critical works, such as common tank decommissioning and stonework, improvements that will help to reduce customers' fuel bills in response to the cost of living crisis such as boiler replacement and window renewal and foyer improvement works that have been delayed since covid. We are projecting to spend £4.2m on improvements in 2024/25. We will continue to look for grant funding opportunities to supplement our resources for energy efficiency improvements.

In Spring 2017 we launched a new partnership approach to the delivery of new housing with Queens Cross Housing Association through the North West Partners Development Hub which is responsible for developing a joint development programme of 800 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 March 2024. 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

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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 62 units in 2023/24 (26 social rent, 18 mid-market rent and 18 sold under New Supply Shared Equity) and a further 18 units of social rented properties are currently on site.

We also delivered a programme to acquire 30 properties in 2023/24 with grant support from Glasgow City Council, being 21 social rent and 9 mid-market rent units.

During 2023/24 our subsidiary Maryhill Living commenced trading in October 2023. Maryhill Living is currently managing the 18 units of new build mid-market rent plus the 9 units of acquired tenemental housing, improved and let at mid-market rents. Maryhill Living will expand to manage the mid-market rent properties in the newbuild development programme plus additional acquisition mid-market rent properties.

The Association has partnered with Glasgow City Council, Wheatley Glasgow and the Scottish Government to deliver a masterplan for the North Maryhill Transformational Regeneration Area. Planning in principle application was submitted in March 2024.

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, and Glasgow City Council designated Hathaway Lane as a priority area in 2023 – unlocking funding for owners and funding for acquisitions.

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 2023/24 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 2023/24 internal audits were completed in reactive repairs, risk, financial controls and contract management. In addition to traditional internal audits the Association also commissioned additional specialist third line of defence reviews. In 2023/24 these included gas safety, cyber security testing, investment planning, and procurement. Actions following both of these types of these audits are being tracked through our Audit and Risk Committee.

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.

During 2023/24 the Association negotiated a restatement of its £35.5m facility agreement with Royal Bank of Scotland. This extended the rolling credit facility, reduced the lending margin and changed the covenants to increase the Association's ability to invest in improving our homes.

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Risk Management

The Association maintained a strategic risk register and a strategic risk map during 2023/24. 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. 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:

MARYHILL HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

- 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 2024. 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 £1,207 (2023: £11,573).

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



Rebecca Wilson
Secretary

Date: 22 August 2024

MARYHILL HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARYHILL HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the financial statements of Maryhill Housing Association Limited (the 'Association') for the year ended 31 March 2024 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 2024 and of its income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARYHILL HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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 2024, because of the immaterial nature of the subsidiary's transactions in the year.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARYHILL HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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 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 any 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.

MARYHILL HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARYHILL HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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.



Azets Audit Services

Statutory Auditor

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date:

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

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 2024

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.

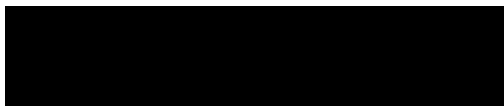
Basis of Opinion

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.



Azets Audit Services

Statutory Auditor

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date:

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

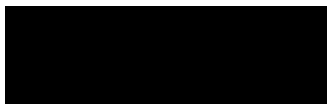
**STATEMENT OF COMPREHENSIVE INCOME
AS AT 31 MARCH 2024**

	Notes	£	2024 £	£	2023 restated £
Turnover	4		18,008,373		14,616,655
Operating expenditure	4		(16,561,116)		(12,382,880)
Operating surplus	4		1,447,257		2,233,775
Interest receivable and other income	11	21,714		5,254	
Interest payable and similar charges	12	(778,332)		(748,965)	
Other finance charges	13	(15,000)		(3,000)	
Movement in fair value of investment properties	17	-		(25,000)	
			(771,618)		(771,711)
Surplus for the year before tax	9		675,639		1,462,064
Tax	14		-		-
Surplus for the year after tax			675,639		1,462,064
Other comprehensive income					
Actuarial (loss) recognised in the SHAPS liability	33		(489,000)		(449,000)
Actuarial gain recognised in the SPF liability	33		199,000		247,000
Total comprehensive income			385,639		1,260,064

The results for the year relate wholly to continuing activities.

The financial statements were authorised for issue by the Board on 22 August 2024 and are signed on their behalf by:

Lindsay Forrest



Chairperson

Valerie Wilson



Board member

Rebecca Wilson



Secretary




The notes form part of these financial statements

MARYHILL HOUSING ASSOCIATION LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	Notes	£	2024 £	£	2023 restated £
Tangible fixed assets					
Housing properties	15		88,507,344		76,079,093
Other fixed assets	17		1,461,543		1,470,559
			<u>89,968,887</u>		<u>77,549,652</u>
Investments					
Investment in subsidiary	18		1		1
Current assets					
Stocks - NSSE	19	-		1,117,149	
Stock	19	41,780		32,473	
Debtors	20	3,835,316		3,167,229	
Cash and cash equivalents	21	2,026,965		2,210,904	
			<u>5,904,061</u>	<u>6,527,755</u>	
Creditors: amounts falling due within one year	22	<u>(6,380,098)</u>		<u>(4,086,024)</u>	
Net current (liabilities)/assets			<u>(476,037)</u>		<u>2,441,731</u>
Total assets less current liabilities			<u>89,492,851</u>		<u>79,991,384</u>
Creditors: amounts falling due after more than one year	23		<u>(42,401,624)</u>		<u>(33,590,794)</u>
Scottish Housing Association Pension Scheme liability	33		<u>(815,000)</u>		<u>(311,000)</u>
Strathclyde Pension Scheme surplus	33		<u>294,000</u>		<u>95,000</u>
Net assets			<u><u>46,570,227</u></u>		<u><u>46,184,590</u></u>
Capital and reserves					
Share capital	25		117		119
Revenue reserve	26		46,220,110		45,834,471
Other reserve	26		350,000		350,000
			<u><u>46,570,227</u></u>		<u><u>46,184,590</u></u>

The financial statements were authorised for issue by the Board on 22 August 2024 and are signed on their behalf by:

Lindsay Forrest		Chairperson
Valerie Wilson		Board member
Rebecca Wilson		Secretary

The notes form part of these financial statements.

MARYHILL HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2024

	Share Capital £	Other Reserve £	Revenue Reserve £	Total £
Balance as at 1 April 2022 (restated)	126	375,000	44,549,407	44,924,533
Issue of shares	3	-	-	3
Cancellation of shares	(10)	-	-	(10)
Total comprehensive income (restated)	-	-	1,260,064	1,260,064
Transfer	-	(25,000)	25,000	-
Balance as at 31 March 2023 (restated)	119	350,000	45,834,471	46,184,590
Balance as at 1 April 2023 (restated)	119	350,000	45,834,471	46,184,590
Issue of shares	5	-	-	5
Cancellation of shares	(7)	-	-	(7)
Total comprehensive income	-	-	385,639	385,639
Transfer	-	-	-	-
Balance as at 31 March 2024	117	350,000	46,220,110	46,570,227

The notes form part of these financial statements.

MARYHILL HOUSING ASSOCIATION LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	£	2024 £	£	2023 £
Net cash generated from operating activities	27		4,468,937		2,544,676
Cash flow from investing activities					
Acquisition and construction of properties		(14,873,600)		(7,019,412)	
Purchase of other fixed assets		(51,622)		(45,363)	
Social housing grant received		5,988,505		2,963,453	
NSSE - cost		(329,007)		(853,274)	
NSSE – sales income		1,694,753		-	
Interest received		21,714		5,254	
			(7,549,257)		(4,949,342)
Cash flow from financing activities					
Interest paid on loans and bank charges		(785,504)		(757,965)	
Share capital issued		5		3	
Payment of past service contributions		(10,000)		(146,000)	
Loans drawn down		4,000,000		-	
Loans repaid		(208,120)		(200,000)	
Loan arrangement fees paid		(100,000)		-	
			2,896,381		(1,103,962)
Net change in cash and cash equivalent			(183,939)		(3,508,628)
Opening cash and cash equivalents			2,210,904		5,719,532
Closing cash and cash equivalents			2,026,965		2,210,904

The notes form part of these financial statements.

MARYHILL HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

Analysis of net debt

	<i>Restated At 1 April 2023</i>	Cash flows	Non-cash movements	At 31 March 2024
	£	£	£	£
Cash and cash equivalents				
Cash	2,210,904	(183,939)	-	2,026,965
Cash equivalents	-	-	-	-
	<u>2,210,904</u>	<u>(183,939)</u>	<u>-</u>	<u>2,026,965</u>
	<u><u>2,210,904</u></u>	<u><u>(183,939)</u></u>	<u><u>-</u></u>	<u><u>2,026,965</u></u>
Borrowings				
Debt due within one year	(217,120)	208,120	(218,448)	(227,448)
Debt due after one year	(10,327,665)	(3,900,000)	225,620	(14,002,045)
	<u>(10,544,785)</u>	<u>(3,691,880)</u>	<u>7,172</u>	<u>(14,229,493)</u>
	<u><u>(8,333,881)</u></u>	<u><u>(3,875,819)</u></u>	<u><u>7,172</u></u>	<u><u>(12,202,528)</u></u>
Net debt	<u><u>(8,333,881)</u></u>	<u><u>(3,875,819)</u></u>	<u><u>7,172</u></u>	<u><u>(12,202,528)</u></u>

In the 2022/23 financial statements £1,199,796 was incorrectly allocated as cash equivalents, this was in fact an instant access deposit account and therefore should have been allocated under cash. The 2022/23 comparative figures have been updated to reflect the correct allocation.

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 2024, 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 2024 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 began trading in October 2023. The Financial Conduct Authority has granted exemption from preparing group financial statements on the basis that the Board have concluded that the financial results of the subsidiary are immaterial from a Group perspective and that there is no real value in preparing group financial statements. These financial statements therefore represent the results of the Association and not of the Group.

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.

Capitalisation limit

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	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

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. 18 new build units were completed and sold (1st tranche) in this financial year.

k) Operating leases

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

l) Investment properties

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

m) Debtors

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

n) 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.

o) 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.

Deposits that mature in more than three months from the date of acquisition are classified as investments.

2. Principal accounting policies (continued)

p) 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.

q) 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.

r) 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.

s) 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.

t) 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)

u) 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 2020 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 2020 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. In 2023/24 there were no past service liability payments due, with scheme expenses of £10k paid.

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.

MARYHILL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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

	Note	2024			2023		
		Turnover £	Operating Expenditure £	Operating Surplus £	Turnover £	Operating Expenditure £	Operating Surplus £
Social lettings	5	15,874,264	(14,329,402)	1,544,862	14,332,035	(12,163,889)	2,168,146
Other activities	6	2,134,109	(2,231,714)	(97,605)	284,620	(218,991)	65,629
Total		<u>18,008,373</u>	<u>(16,561,116)</u>	<u>1,447,257</u>	<u>14,616,655</u>	<u>(12,382,880)</u>	<u>2,233,775</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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

	General Needs Housing £	Shared Ownership £	2024 Total £	Restated 2023 Total £
Revenue from lettings				
Rent receivable net of service charges	15,019,947	32,436	15,052,383	13,666,953
Service charges	135,135	4,983	140,118	118,737
Gross income from rent and service charges	15,155,082	37,419	15,192,501	13,785,690
Less: Rent losses from voids	(202,088)	-	(202,088)	(115,943)
Net rents receivable	14,952,994	37,419	14,990,413	13,669,747
Release of deferred Government capital grants	565,745	-	565,745	422,728
Revenue grants from Scottish Ministers (Stage 3 adaptations)	86,291	-	86,291	57,350
Other revenue grants	231,815	-	231,815	182,210
Total turnover from social letting activities	15,836,845	37,419	15,874,264	14,332,035
Expenditure on social letting activities				
Management and maintenance administration costs	6,774,863	16,728	6,791,591	5,970,429
Service costs	112,597	4,530	117,127	110,707
Planned and cyclical maintenance, including major repairs	1,877,437	-	1,877,437	1,477,800
Reactive maintenance costs	2,942,747	-	2,942,747	2,338,957
Bad debt – rents and service charges	155,151	-	155,151	162,139
Depreciation of social let properties	2,436,358	8,991	2,445,349	2,018,508
Aborted development project costs	-	-	-	85,349
Operating expenditure of social letting activities	14,299,153	30,249	14,329,402	12,163,889
Operating surplus on social letting activities 2024	1,537,692	7,170	1,544,862	
Operating surplus on social letting activities 2023	2,158,069	10,077		2,168,146

The depreciation charges of social let properties in the year was £2,313,475 (2023: £1,988,066). The net book value of disposed components was £131,874 (2023: £30,433).

MARYHILL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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) 2024 £	Operating Surplus or (Deficit) 2023 £
Factoring	143,694	143,694	(85,886)	(178,280)	(120,472)	(25,798)
Development and construction of property activities	57,334	57,334		(57,334)	-	-
Commercial properties	25,844	25,844	(209)	-	25,635	24,157
Radio mast income	27,093	27,093	-	-	27,093	30,413
Sundry activities	40,226	40,226	-	(35,496)	4,730	36,857
NSSE sales	1,446,156	1,446,156	-	(1,446,156)	-	-
TRA	393,762	393,762	-	(428,353)	(34,591)	-
Total from other activities 2024	2,134,109	2,134,109	(86,095)	(2,145,619)	(97,605)	
Total from other activities 2023	284,620	284,620	(27,214)	(191,777)		65,629

The TRA noted above stands for Transformational Regeneration Area. This is a Glasgow City Council grant funded project, which Maryhill Housing are working alongside Transforming Communities: Glasgow to deliver. The project aims to transform the area by developing vacant and derelict land, providing a strategic habitat link by creating and enhancing meadow, woodland, and wetland habitats. Note that £34,591 of income was recognised in 2022/23 under sundry activities, with the related expenditure now recognised in 2023/24.

Maryhill Housing received Scottish Government grant of £52,200 for Net Zero Development Project. This was a joint funding bid with three other housing associations, submitted by Maryhill Housing on behalf of all four associations. Sundry activities include income and expenditure of £35,496, which is their allocation of the grant income. Maryhill's grant income and expenditure is shown under other revenue grants and management and maintenance administration costs in note 5.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

7. Employees

	2024	2023
	£	£
Staff costs during year:		
Wages and salaries	3,460,754	3,207,213
Social security costs	317,103	316,949
Pension costs	322,452	340,641
Defined benefit pension charge – SHAPS (Note 33)	-	8,000
Strathclyde Pension Fund service cost (Note 33)	-	67,000
Temporary, agency and seconded staff	242,374	111,130
Staff recruitment costs	32,184	118,263
	<u>4,374,867</u>	<u>4,169,196</u>

The SHAPS liability is subject to remeasurement each financial year.

During the past year, past service deficit contributions of £10,000 (2023: £146,101) were paid. Of this payment £Nil (2023: £137,462) 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 £10,000 (2023: £8,639) was pension management costs which have been included in the pension contributions total included in staff costs above.

	2024	2023
	No.	No.
The average monthly number of full time equivalent employees during the year was	<u>93</u>	<u>93</u>
The average total number of employees employed during the year was	<u>99</u>	<u>101</u>

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.

	2024	2023
	£	£
Aggregate emoluments payable to the key management team (and the only employees whose emoluments exceeded £60k) amounted to:	<u>261,369</u>	<u>247,281</u>

Total pension contributions to the key management team were £27,937 (2023: £26,370). The Social Security costs for these individuals were £30,381 (2023: £29,966). 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.

MARYHILL HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8. Directors' emoluments (continued)

	2024	<i>2023</i>
	£	£
Total emoluments payable to the Chief Executive (Resigned 26 July 2024) excluding pension contributions amounted to:	100,884	<i>93,965</i>
Pension contributions payable to the current Chief Executive (Resigned 26 July 2024) excluding past service deficit repayments	11,341	<i>10,574</i>

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

	2024	<i>2023</i>
	Number	<i>Number</i>
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:		
£60,001 - £70,000	-	-
£70,001 - £80,000	-	2
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1
£100,001 - £120,000	1	-
£120,001 - £130,000	-	-

9. Surplus for year before tax

	2024	<i>2023</i>
	£	£
The surplus before tax is stated after charging/(crediting): -		
Depreciation – Housing properties	2,313,475	<i>1,988,066</i>
Depreciation – loss on disposal of components	131,874	<i>30,443</i>
Depreciation – Other fixed assets	60,638	<i>56,435</i>
External auditor's remuneration – Audit services excluding VAT	19,500	<i>17,250</i>
External auditor's remuneration – corporation tax compliance excluding VAT	1,290	<i>1,530</i>
Operating lease rentals	2,376	<i>1,918</i>

10. Gain on sale of housing stock

There were no units sold in the current or prior year and therefore no gain/loss on disposal.

MARYHILL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

11. Interest receivable and similar income

	2024 £	2023 £
Bank interest	<u>21,714</u>	<u>5,254</u>

12. Interest payable and similar charges

	2024 £	2023 £
On bank loans	627,540	595,786
Bank charges - non utilisation fees	150,792	153,179
	<u>778,332</u>	<u>748,965</u>

Offset within interest payable on bank loans is a £25,008 (2023: £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 £17,836 (2023: £16,008) charge in respect of the amortisation of loan arrangement fees in the year.

13. Other finance charges

	2024 £	2023 £
Strathclyde Pension Fund – finance charge (note 33)	-	3,000
SHAPS – net interest expense (note 33)	15,000	-
	<u>15,000</u>	<u>3,000</u>

14. Tax on surplus

The Association is a Scottish Charity and thus its charitable activities are not subject to tax in both 2023 and 2024. No (2023: £Nil) corporation tax is due on the Association's non-charitable activities.

MARYHILL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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 2023	86,209,930	9,632,168	269,725	96,111,823
Additions during year				
Property	4,215,009	3,763,240	-	7,978,249
Components	6,895,351	-	-	6,895,351
Transfers between housing properties	9,435,541	(9,435,541)	-	-
Disposals during year				
Property	-	-	-	-
Components	(327,670)	-	-	(327,670)
As at 31 March 2024	<u>106,428,161</u>	<u>3,959,867</u>	<u>269,725</u>	<u>110,657,753</u>
Depreciation				
As at 1 April 2023	19,951,339	-	81,391	20,032,730
Charge for year	2,304,484	-	8,991	2,313,475
On disposals during year				
Property	-	-	-	-
Components	(195,796)	-	-	(195,796)
As at 31 March 2024	<u>22,060,027</u>	<u>-</u>	<u>90,382</u>	<u>22,150,409</u>
Net Book Value				
As at 31 March 2024	<u>84,368,134</u>	<u>3,959,867</u>	<u>179,343</u>	<u>88,507,344</u>
As at 31 March 2023	<u>66,258,591</u>	<u>9,632,168</u>	<u>188,334</u>	<u>76,079,093</u>

Additions to housing properties include capitalised development administration costs of £158,969 (2023: £211,476). 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 £19,693,784 (2023: £10,836,169). The amount capitalised is £14,873,600 (2023: £7,019,412), 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 £24,694,377 (2023: £25,236,115).

16a. Housing stock

	2024 No.	2023 No.
The number of units of accommodation in management at the year-end was: -		
General needs – New Build	616	590
General needs – Rehabilitation	2,522	2,501
Mid-Market Rent	27	-
Shared ownership	14	14
	<u>3,179</u>	<u>3,105</u>

MARYHILL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

16b. Investment properties

	2024 No.	2023 No.
The number of units of accommodation in management at the year-end was: -		
Lock ups	78	78
Shops	1	1
	79	79
	79	79

17. Tangible fixed assets - Other fixed assets

	Investment Properties £	Office Premises £	Furniture, Fittings & Equipment £	Motor Vehicles £	Total £
Cost					
As at 1 April 2023	350,000	1,679,790	566,834	54,602	2,651,226
Additions	-	-	51,622	-	51,622
Transfers/ Valuation	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31 March 2024	350,000	1,679,790	618,456	54,602	2,702,848
	350,000	1,679,790	618,456	54,602	2,702,848
Depreciation					
As at 1 April 2023 as	-	660,825	484,921	34,921	1,180,667
Charge for year	-	23,759	30,130	6,749	60,638
Disposals	-	-	-	-	-
As at 31 March 2024	-	684,584	515,051	41,670	1,241,305
	-	684,584	515,051	41,670	1,241,305
Net Book Value					
As at 31 March 2024	350,000	995,206	103,405	12,932	1,461,543
As at 31 March 2023	350,000	1,018,965	81,913	19,681	1,470,559
	350,000	1,018,965	81,913	19,681	1,470,559

The fair value as at 31 March 2024 of the investment properties held totalled £350,000 (2023: £350,000). 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 2024.

MARYHILL HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

18. Investments

	2024 £	2023 £
Investment in subsidiary		
As at 31 March 2024 & 31 March 2023	<u>1</u>	<u>1</u>

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

The company was incorporated on 26 April 2011 and began trading in October 2023.

The aggregate amount of capital and reserves and the results of Maryhill Living Limited for the year ended 31 March 2024 were as follows:

	2024 £	2023 £
Capital & reserve	<u>(4,587)</u>	<u>1</u>
Loss for the year	<u>(4,588)</u>	<u>-</u>

19. Stock – Shared equity housing units

Cost	2024 £
At April 2023	3,591,351
Additions	329,007
Disposals	(1,446,156)
Derecognised	<u>(2,474,202)</u>
At 31 March 2024	-
SHG and other Grants	
At April 2023	2,474,202
Received during the year	-
Derecognised	<u>(2,474,202)</u>
At 31 March 2024	-
Net Book Value	
At 31 March 2024	<u>-</u>
At 31 March 2023	<u>1,117,149</u>

The stock represents the net book value (costs less grants) of 18 (2023: 18) NSSE (New Supply Shared Equity) housing units whose first tranches all sold during the year to 31 March 2024. Total sales income was £1,694,753, with £248,597 (net being £1,446,156) transferred to creditors pending final account for the development. Depending on the value of the final account, some of this may be repayable to Scottish Government. As the first tranches have now been sold, the remaining cost and grant has been derecognised.

In addition to the shared equity housing units, the Association also holds materials in stock to the value of £41,780 (2023: £32,473).

MARYHILL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

20. Debtors

	2024 £	2023 £
Arrears of rent & service charges	910,379	783,602
Less: Provision for doubtful debts	(621,364)	(553,582)
	289,015	230,020
Factoring arrears	188,648	192,376
Prepayments	158,233	161,543
Accrued income	3,153,238	2,359,203
Other debtors	46,182	224,087
	3,835,316	3,167,229

21. Cash and cash equivalents

	2024 £	<i>Restated</i> 2023 £
Cash at bank and in hand	2,026,965	2,210,904
	2,026,965	2,210,904

In the 2022/23 financial statements £1,199,796 was incorrectly allocated as cash equivalents, this was in fact an instant access deposit account and therefore should have been allocated under cash. The 2022/23 comparative figures have been updated to reflect the correct allocation.

MARYHILL HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

22. Creditors: amounts falling due within one year

	2024	2023
	£	£
Bank loans	227,448	217,120
Trade creditors	3,203,394	2,070,313
Rent in advance	716,093	671,035
Other taxation and social security	81,433	77,439
Amounts due to group undertakings	1	1
Retention creditors	472,977	277,926
Accruals and deferred income	544,126	212,033
HAG creditor	384,913	136,316
Other creditors	40,675	1,113
Deferred Government capital grant (note 24)	709,038	422,728
	6,380,098	4,086,024

Included in the other creditors is £40,675 (2023: £nil) of pension contributions outstanding.

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

	2024	2023
	£	£
Bank loans	14,002,045	10,327,665
Deferred Government capital grant (note 24)	28,399,579	23,263,129
	42,401,624	33,590,794
Bank loans (< 1 year and > 1 year)		
Amounts due within one year	227,448	217,120
Amounts due in one year or more but less than two years	241,908	234,540
Amounts due in two year or more but less than five years	818,244	789,540
Amounts due in more than five years	12,941,893	9,303,585
	14,229,493	10,544,785

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 £174,957 (2023: £199,957) of a cash incentive which is being amortised and credited to interest over the 20 year fixed loan period, £79,964 (2023: £95,972) of arrangement fees which are being released over the 10 year fixed term loan period, and £98,172 (2023: £nil) of arrangement fees which are being released over the 8 year availability of the rolling credit facility.

MARYHILL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

24. Deferred Government capital grants

	2024 £	2023 £
Gross deferred Government capital grants		
At 1 April 2023	26,351,047	23,387,594
Addition in year	5,988,505	2,963,453
At 31 March 2024	32,339,552	26,351,047
Amortisation		
At 1 April 2023	(2,665,190)	(2,242,462)
Amortised in year	(565,745)	(422,728)
At 31 March 2024	(3,230,935)	(2,665,190)
Net book value at 31 March 2024	29,108,617	23,685,857

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

	2024 £	2023 £
Amounts due within one year	709,038	422,728
1-2 years	738,907	594,395
2-5 years	2,216,721	1,976,258
> 5 years	25,443,951	20,692,476
	28,399,579	23,263,129
Total	29,108,617	23,685,857

25. Share capital

	2024 £	2023 £
Shares of £1 each issued and fully paid		
At 1 April 2023	119	126
Issued during the year	5	3
Cancelled during the year	(7)	(10)
At 31 March 2024	117	119

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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	2024	<i>Restated</i> 2023
	£	£
Operating surplus	1,447,257	2,233,775
Depreciation including loss on disposal of components	2,505,987	2,074,946
Amortisation of deferred Government capital grants	(565,745)	(422,728)
Movement in debtors	(668,087)	(1,676,340)
Movement in creditors	1,748,839	207,157
SHAPS – remeasurements	10,000	8,000
Strathclyde Pension Fund service cost	-	67,000
Aborted development admin costs	-	85,349
Increase in stock	(9,307)	(32,473)
Share cancelled	(7)	(10)
	4,468,937	2,544,676

28. Related party transactions

Board

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 £24,803 (2023: £18,313).

At the year-end total rent arrears owed by the tenant Board members was £924 (2023: £110). Prepaid rent at the year-end was £838 (2023: £782).

Maryhill Living Limited

At the year-end £36,295 (2023: £nil) was owed by Maryhill Living Limited to Maryhill Housing Association Limited for Q4 lease and service charges, and one rechargeable repair. This is included in accrued income in note 20. The total value of transactions from Maryhill Living Limited to Maryhill Housing in the year is £64,891 (2023: £nil).

The Association owes Maryhill Living Limited £1 (2023: £1) in respect of its investment in Maryhill Living Limited.

29. Legislative provisions

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

MARYHILL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

30. Capital commitments

	2024	2023
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	1,336,676	6,379,260

The above commitments will be financed by:

Association's reserves	1,336,676	4,081,967
HAG	-	2,297,293
	1,336,676	6,379,260

31. Commitments under operating leases

	2024	2023
	£	£
At the year-end, the total future minimum lease payments under non-cancellable operating leases were as follows: -		
Not later than one year	5,498	1,199
Later than one year and not later than five years	8,123	1,798
Later than five years	-	-
	13,621	2,997

32. Governing body member emoluments

Board members received £27 in the year by way of reimbursement of expenses (2023: £86).

No (2023: £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%.

33. Pensions (continued)

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.

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.

Scheme Benefit Review

The Trustee has carried out a review comparing the benefits provided to Scheme members with the requirements of the Scheme documentation. It has received legal advice that there is sufficient uncertainty regarding the effect of some benefit changes that the Court should be asked to provide clarity, to provide the Trustee with the certainty it needs to properly administer the Scheme.

Preparation for the Court case is progressing to schedule and the Court has provided an expected window for the hearing during February 2025, with the judgment currently expected in Q2 2025.

Should the Court decide that the historic benefit changes need to be applied differently, then some member benefits would need to be increased, which would increase the value placed on Scheme liabilities. No allowance has been made for potential additional liabilities within the estimate provided above.

MARYHILL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

33. Pensions (continued)

	31 March 2024 £'000	31 March 2023 £'000
Fair value of plan assets	6,043	6,267
Present value of defined benefit obligation	(6,858)	(6,578)
Defined benefit liability to be recognised	(815)	(311)

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Defined benefit obligation at start of period	6,578	9,828
Current service cost	-	-
Expenses	10	8
Interest expense	308	268
Contributions by plan participants	-	-
Actuarial gains due to scheme experience	567	(371)
Actuarial (gains) due to changes in demographic assumptions	(46)	(165)
Actuarial (gains) due to changes in financial assumptions	(21)	(2,564)
Benefits paid and expenses	(538)	(426)
Defined benefit liability at the end of the period	6,858	6,578

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

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Fair value of plan assets at start of the period	6,267	9,828
Interest income	293	268
Experience on plan assets (excluding amounts included in interest income)	11	(3,549)
Contributions by the employer	10	146
Contributions by plan participants	-	-
Benefits paid and expenses	(538)	(426)
Fair value of plan assets at end of period	6,043	6,267

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

33. Pensions (continued)

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31 March 2024 £'000	<i>Year ended 31 March 2023 £'000</i>
Current service cost	-	-
Admin expenses	10	8
Net interest expense	15	-
Defined benefit costs recognised in Statement of Comprehensive Income	25	8

Defined benefit costs recognised in Other Comprehensive Income

	Year ended 31 March 2024 £'000	<i>Year ended 31 March 2023 £'000</i>
Experience on plan assets (excluding amounts included in net interest cost) – gain/(loss)	11	(3,549)
Experience gains and losses arising on the plan liabilities – (loss)/gain	(567)	371
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	46	165
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	21	2,564
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable – (loss))	(489)	(449)
Effects of changes in the amount of surplus that is not recoverable (excluding Amounts included in net interest cost) – (loss)/gain	-	-
Total amount recognised in other comprehensive income – (loss)	(489)	(449)

MARYHILL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

33. Pensions (continued)

Fund allocation for employer's calculated share of assets

	31 March 2024 £'000	31 March 2023 £'000
Global Equity	695	165
Absolute Return	271	85
Distressed Opportunities	222	193
Credit Relative Value	213	239
Alternative Risk Premia	218	36
Emerging Markets Debt	106	48
Risk Sharing	363	457
Insurance-Linked Securities	38	175
Property	256	261
Infrastructure	579	675
Private Equity	5	-
Private Debt	243	280
Opportunistic Illiquid Credit	240	277
High Yield	1	32
Opportunistic Credit	-	-
Cash	157	26
Corporate Bond Fund	-	8
Liquid Credit	-	-
Long Lease Property	45	210
Secured Income	202	419
Liability Driven Investment	2,185	2,655
Currency Hedging	(3)	12
Net Current Assets	7	14
Total Assets	6,043	6,267

MARYHILL HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

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 2024 % Per annum	31 March 2023 % Per annum
Discount rate	4.90%	4.87%
Inflation (RPI)	3.15%	3.19%
Inflation (CPI)	2.78%	2.75%
Salary growth	3.78%	3.75%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	2024 Life expectancy at age 65 (Years)	2023 Life expectancy at age 65 (Years)
Male retiring in 2024	20.2	20.5
Female retiring in 2024	22.7	23.0
Male retiring in 2041	21.4	21.9
Female retiring in 2041	24.1	24.4

Active members

	Number	Total earnings (£'000s p.a.)	Average age (unweighted)
Males	3	125	45
Females	8	441	48
Total	11	567	47

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	13	31	47
Females	27	73	51
Total	40	104	49

Pensioners

	Number	Pensions (£'000s p.a.)	Average age (unweighted)
Males	24	181	70
Females	12	137	64
Total	36	318	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 2023. As of this date the estimated employer debt for the Association was £2,154,098.

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. Seven members of staff are members of the Scheme.

The main financial assumptions used by the Council's Actuary, Hymans Robertson, in their 2024 valuations are as follows:

Assumptions as at	31 March 2024	<i>31 March 2023</i>
Pension increase rate	2.75%	2.95%
Salary increase rate	3.45%	3.65%
Discount rate	4.85%	4.75%

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	18.5 years	18.8 years
Future Pensioners	20.2 years	23.5 years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

33. Pensions (continued)

Reconciliation of defined benefit obligation

Year Ended:	31 Mar 2024 £'000	31 Mar 2023 £'000
Opening Defined Benefit Obligation	2,592	4,092
Current Service Cost	32	98
Past Service Cost	-	-
Interest Cost	188	113
Contributions by Members	10	14
Actuarial (gains)	(349)	(1,679)
Past Service (gains)/losses	-	-
Liabilities Extinguished on Settlements	-	-
Liabilities Assumed in a Business Combination	-	-
Exchange Differences	-	-
Estimated Unfunded Benefits Paid	-	-
Estimated Benefits Paid	(41)	(46)
Closing Defined Benefit Obligation	2,432	2,592

Reconciliation of fair value of employer assets

Year Ended:	31 Mar 2024 £'000	31 Mar 2023 £'000
Opening Fair Value of Employer Assets	2,687	4,010
Expected Return on Assets	188	110
Contributions by Members	10	14
Contributions by the Employer	32	31
Contributions in respect of Unfunded Benefits	-	-
Actuarial (losses)	(150)	(1,432)
Assets Distributed on Settlements	-	-
Assets Acquired in a Business Combination	-	-
Exchange Differences	-	-
Estimated Unfunded Benefits Paid	-	-
Estimated Benefits Paid	(41)	(46)
Closing Fair Value of Employer Assets	2,726	2,687
Net pension surplus	294	95

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

33. Pensions (continued)

Analysis of amounts included in Statement of Comprehensive Income

Year Ended:	2024 £ (000)	2023 £ (000)
Expected Return on pension scheme assets	188	110
Interest on pension scheme liabilities	(188)	(113)
	<u> </u>	<u> </u>
Net Return – finance charge	-	(3)
	<u> </u>	<u> </u>
	2024 £ (000)	2023 £ (000)
Current service cost	(32)	(98)
Past service cost	-	-
Contribution by employers	32	31
	<u> </u>	<u> </u>
Charge to staff costs	-	(67)
	<u> </u>	<u> </u>

The expected Employer's contributions for the year to 31 March 2025 will be approximately £11,000.

Analysis of amount recognised in Statement of Comprehensive Income

	2024 £ (000)	2023 £ (000)
Actual return less expected return on scheme assets	(150)	(1,432)
Changes in assumptions underlying the present value of scheme liabilities	236	1,893
Other experience	113	(214)
	<u> </u>	<u> </u>
Actuarial gain recognised in other comprehensive income	199	247
	<u> </u>	<u> </u>

34. Contingency

The Association's 30-year business plan contains a contingency sum of £3.25m in 2025/26 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

35. Prior year adjustment

Negative goodwill had been recognised in respect of a historical second stage stock transfer. Current accounting guidance is that this 'gain' on the recognition of the transfer of stock should be recognised as a gain to the Statement of Comprehensive Income rather than as negative goodwill. Thus, a prior year adjustment has been recognised to amend this accounting treatment. This means that this negative goodwill has been credited to the revenue reserve as noted below.

	As at 31 March 2023		
	Previously stated	Adjustment	As restated
	£	£	£
<i>Changes to Statement of Comprehensive Income</i>			
Release of negative goodwill	264,658	(264,658)	-
Total comprehensive income	1,524,722	(264,658)	1,260,064
<i>Changes to the Statement of Financial Position</i>			
Negative goodwill	(9,295,888)	9,295,888	-
Net assets	36,888,702	9,295,888	46,184,590
Capital and Reserves			
Revenue reserves	36,538,583	9,295,888	45,834,471
Total Capital and Reserves	36,888,702	9,295,888	46,184,590
	As at 31 March 2022		
	Previously stated	Adjustment	As restated
	£	£	£
<i>Changes to the Statement of Financial Position</i>			
Capital and Reserves			
Revenue reserves	34,988,861	9,560,546	44,549,407
Total Capital and Reserves	35,363,987	9,560,546	44,924,533