

Registered Housing Association No. HAL269AL
Financial Conduct authority No. 2427R(S)
Charity No. SC032963
Property Factors (Scotland) Act 2011 Registered No. PF000246

NORTH VIEW HOUSING ASSOCIATION LIMITED

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2023

CT:

NORTH VIEW HOUSING ASSOCIATION LIMITED

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2023

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Registration particulars

Financial Conduct Authority

Co-operative and Community Benefit Societies Act 2014
Registered Number: 2427R(S)

Scottish Housing Regulator

Housing (Scotland) Act 2010
Registered Number: HAL269AL

Office of the Scottish Charity Regulator

Charities and Trustee Investment (Scotland) Act 2005
Scottish Charity Number Sc032963

The Scottish Government

Property Factors (Scotland) Act 2011
Registered Number: PF000246

NORTH VIEW HOUSING ASSOCIATION LIMITED

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2023

OFFICERS AND PROFESSIONAL ADVISERS

Management Committee

Iris Robertson	Chairperson
Josephine Deacon	Vice Chair
James Dougherty	Treasurer
Audrey Laird	Secretary
Wilma McCubbin	Member
William Hamilton	Member
Christine Devine	Member
Alex Bruce	Member
Geraldine Baird	Member
Michelle McNulty	Member (appointed 21 Sept 22)
Sarah Jayne Newman	Member (appointed 21 Sept 22)
Kenneth Robertson	Member (resigned 21 Sep 22)

Director

Alison Main

Registered office

29a Stravanan Road
Castlemilk
Glasgow
G45 9LY

Auditors

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

Solicitors

Brechin Tindal Oatts
48 St Vincent Street
Glasgow
G2 4HS

T C Young
7 West George Street
Glasgow
G2 1BA

Kelly & Co Solicitors
184 Abercromby Street
Glasgow
G40 2RZ

Principal Bankers

Bank of Scotland plc
82 Main Street
Rutherglen
Glasgow
G73 2HZ

NORTH VIEW HOUSING ASSOCIATION LIMITED

REPORT of the MANAGEMENT COMMITTEE

For the year ended 31 March 2023

The Management Committee presents its report and audited financial statements for the year ended 31 March 2023.

Principal activity

North View Housing Association Ltd manages and maintains affordable rented properties in the Windlaw area of Castlemilk, Glasgow. It provides a high quality service that is responsive to the needs of its tenants and residents.

The Association is registered with the Financial Conduct Authority as a Friendly Society, the Office of the Scottish Charities Regulator (OSCR) as a charity, the Scottish Housing Regulator as a Registered Social Landlord and the Scottish Government as a Property Factor.

Financial Review

The surplus for the year (pre-pension re-measurement) was £417,011 (2022: surplus of £358,562) at the year end. After accounting for pension re-measurement, there was an overall surplus of £321,338 (2022: surplus of £490,397). Net assets now stand at £3,762,583 (2022: £3,441,242).

As at 31 March 2023, North View had £1m deposited as cash funds. We continue to have a significant major repair investment programme in place. Cash surpluses will be made, subject to our planned major repair programme, over the next few years.

The Association offers its employees a variable defined contribution pension scheme, having closed the final salary pension scheme. This has reduced the Association's potential future financial exposure regarding pensions, while adding a greater degree of certainty to our financial projections.

Business Review

In 2022/2023, working practices were more in line with pre-pandemic arrangements, with office based staff spending more of the working week in the office.

We continue to, however, offer a degree of hybrid working arrangements for office-based staff (where business needs allow) and introduced a Flexible Working Policy to consolidate our approach to this.

Hybrid arrangements continued for Management Committee meetings, allowing Committee members the option to attend in person or virtually.

The Association's new build project on Ardencraig Road (the Windlaw Lodge site) achieved Practical Completion in May 2022. A total of 19 flats were allocated during 2022/2023 through a phased handover of properties.

Our Business Plan annual update, which sets out the organisation's strategic direction and key priorities, was adopted by the Association in January 2023. This update reflects the current wider economic circumstances within which we are operating.

Operational Review

Welfare Rights Service

In 2022/2023, demand for the Association's Welfare Rights Service continued to be high. The Welfare Rights Officer worked with 170 residents and secured financial gains amounting to £674,576.

Staffing

The Association appointed a new Receptionist (Laura Ward) in May 2022.

NORTH VIEW HOUSING ASSOCIATION LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2023

Wider Role

The Association continued to work with and financially support the Jeely Piece Club's Wednesday Playclub in the Birgidale Complex.

Monies were also secured (via the Scottish Government's Scottish Housing Fuel Support Fund, the Scottish Government's Winter Hardship Fund and the Castlemilk and Carmunnock Community Windpark Trust) to provide further financial support to tenants in the form of help with fuel costs and food vouchers.

We also continued to support the Castlemilk Pantry during 2022/2023 and started a referral scheme for tenants to introduce a more sustainable approach to food poverty and food insecurity. The Association also maintained arrangements with the Trussell Trust to distribute food parcels to local residents.

Housing Management

The Association let 92 properties in 2022/2023. This represents a significant increase on previous years (55 in 2021/2022) and was due to movement created by allocations at our Windlaw Lodge site. Through this development, we were able to allocate properties to existing tenants who were underoccupying larger family homes, which then in turn freed these up to allocate to households who needed this type of accommodation.

The Association has worked to try to reduce rent arrears levels during the year. This has been challenging given the current cost of living crisis.

Property maintenance

The Association met all of the targets set for completion of works orders within timescale:

- Average length of time (in hours) to address emergency repairs was 1.36 hours compared with the target of 3 hours;
- Average length of time (in working days) to complete non-emergency repairs was 3.04 days against the target of 4 working days;
- 94.5% of our repairs were completed "right first time" against the target of 85%.

Our programmes of planned and cyclical maintenance continued with window replacements, boiler replacements, bathroom replacements and kitchen replacements. We also replaced flat entrance doors to 71 properties.

Treasury Management

The Association has an active treasury management function, which operates in accordance with its Treasury Management Policy approved by the Management Committee. The Association manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held. North View, as a matter of policy, does not enter into transactions of a speculative nature. Our loan portfolio includes two fixed rate loans and three variable rate loans at reasonable rates.

Maintenance Policies

The Association seeks to maintain its properties to the highest standard.

Cyclical work (repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components) are charged to the Statement of Comprehensive Income.

The Association's long-term programme of major repairs is to cover for works which have become necessary since the original development was completed, including works required by subsequent legislative changes. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. In line with the SORP 2018, replacements of building components (as identified in Note 1) are capitalised in the financial statements as they occur. All other major repairs are charged to the Statement of Comprehensive Income.

Credit Payment Policy

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

Future Developments

The Association intends to continue with its policy of improving the quality of housing within its area of operation. No further new build projects are planned at this time.

NORTH VIEW HOUSING ASSOCIATION LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2023

Budgetary Process

Each year, the Management Committee approves the annual budget and rolling 5-year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Management Committee of variances from the budget, updated forecasts for the year, together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

Quality and Integrity of Personnel

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training plans. High quality personnel are seen as an essential part of the control environment. The ethical standards expected are communicated through the Director and all staff have signed up to a Staff Code of Conduct. The Association has maintained 'Silver' accreditation under the Investors in People framework.

General Reserves Policy

The Committee members have reviewed the reserves of North View. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. The Association's reserves are required to fund long term maintenance plans for the stock.

Employee Involvement and Health and Safety

North View takes seriously its responsibilities to employees and as a policy, provides employees with information on matters of concern to them. It is also the policy of the Association to consult, where practical, with employees or their representatives so that their views may be taken into account in making decisions likely to affect their interests.

Disabled Employees

The Association has 'Disability Confident Employer' accreditation from the Department for Work and Pensions. It is the policy of the Association that training and career development opportunities are available to all employees.

Management Committee and Officers' Insurance

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

Managing Risk

The Association operates a robust Strategic Risk Management Strategy and Framework. This was developed as part of the Business Plan Update process in January 2023 and is reviewed on a quarterly basis by the Audit and Risk Sub-Committee.

The top five Strategic Risks for the organisation are as follows:

- Impact of external economic environment on North View's organisational and financial resilience;
- Universal Credit has a harmful impact on North View's income stream;
- Failure to maximise North View's rental income;
- Government intervention in social landlords' rent setting
- Failure to meet North View's obligations for tenant and resident safety.

Appropriate controls have been identified and are in place for each key risk area.

NORTH VIEW HOUSING ASSOCIATION LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2023

Management Committee

The Members of the Committee of the Association, during the year to 31 March 2023 and up to the date of these financial statements, were as follows:

Iris Robertson	Chairperson
Josephine Deacon	Vice Chairperson
Wilma McCubbin	Treasurer (from 21 September 2022)
Audrey Laird	Secretary
Geraldine Baird	
Alex Bruce	
Christine Devine	
James Dougherty	(Treasurer until 21 September 2022)
William Hamilton	
Wilma McCubbin	
Michelle McNulty	(from 21 September 2022)
Sarah Jayne Newman	(from 21 September 2022)
Kenneth Robertson	(up to 21 September 2022)

Each member of the Management Committee holds one fully paid share of £1 in North View. The Director of North View holds no interest in the Association's share capital and although not having the legal status of "director", acts as executive within the authority delegated by the Management Committee.

Director: Alison Main

Auditors

CT was appointed as External Auditor following a tendering exercise in 2021.

On the basis of this, the Association has agreed to appoint CT for the year ended 31st March 2024. This appointment will be intimated at the Annual General Meeting.

On behalf of the Management Committee

Audrey Laird
Secretary

29a Stravanan Road
Castlemilk
Glasgow
G45 9LY

Date: 30 AUGUST 2023

NORTH VIEW HOUSING ASSOCIATION LIMITED

STATEMENT of MANAGEMENT COMMITTEE'S RESPONSIBILITIES

Year ended 31 March 2023

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the North View Housing Association Limited and of the surplus or deficit for that period. In preparing these financial statements, the Committee of Management is required to:

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

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

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

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to ensure that the financial statements comply with the Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019.

By order of the Management Committee

Iris Robertson
Chairperson

Date:

30 AUGUST 2023

NORTH VIEW HOUSING ASSOCIATION LIMITED

STATEMENT on INTERNAL FINANCIAL CONTROL

Year ended 31 March 2023

The Management Committee 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 Management Committee'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 the:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of 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 Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget 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 Management Committee;
- the Management Committee receive 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;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2023. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

BY ORDER OF THE MANAGEMENT COMMITTEE

Iris Robertson
Chairperson

Date:

30 AUGUST 2023

**REPORT by the AUDITORS to the MEMBERS OF
NORTH VIEW HOUSING ASSOCIATION LIMITED on
INTERNAL FINANCIAL CONTROLS**

CT:

In addition to our audit of the Financial Statements, we have reviewed your statement on page 7 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 7 has provided the disclosures required by the relevant Regulatory Standards within the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the Management Committee, and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Management Committee'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 controls within the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



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

Date: 31 August 2023

Opinion

We have audited the financial statements of North View Housing Association Limited (the 'Association') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Management Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Management Committee's has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Management Committee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Management Committee.

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

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

Responsibilities of the Management Committee

As explained more fully in the Statement of Committee of Management's Responsibilities as set out on Page 6, the Management Committee are 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 Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee 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 Management Committee either intends to liquidate the Association or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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


**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NORTH VIEW HOUSING ASSOCIATION LIMITED (continued)**

CT:

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

Use of our report

This report is made solely to the Association's members, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.


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

Date: 31 August 2023

NORTH VIEW HOUSING ASSOCIATION LIMITED

STATEMENT of COMPREHENSIVE INCOME

For the year ended 31 March 2023

	Notes	2023 £	2022 £
Turnover	2	3,771,622	3,545,589
Operating Costs	2	(3,057,610)	(2,854,363)
Operating surplus		714,012	691,226
Other finance income/(charges)		1,000	(3,000)
Interest income		11,987	483
Interest payable and financing costs	4	(328,716)	(330,147)
Surplus for the year before taxation		398,283	358,562
Taxation	5	-	-
Surplus for the year		398,283	358,562
Other comprehensive income			
Actuarial (losses)/gains in respect of defined benefit pension scheme	18	(95,673)	131,835
Total comprehensive income for the year		<u>302,610</u>	<u>490,397</u>

These financial statements were authorised and approved for issue by the Management Committee on
and signed on their behalf by:



Chairperson – Iris Robertson



Vice Chairperson – Josephine Deacon



Secretary – Audrey Laird

The notes on pages 16 to 30 form part of these financial statements.

NORTH VIEW HOUSING ASSOCIATION LIMITED


STATEMENT of FINANCIAL POSITION


As at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets			
Housing properties	8	19,853,671	19,924,420
Other fixed assets	9	454,323	473,458
		<u>20,307,994</u>	<u>20,397,878</u>
Current assets			
Trade and other debtors	10	166,871	191,236
Cash at bank and in hand		1,740,474	1,931,822
		<u>1,907,345</u>	<u>2,123,058</u>
Current liabilities			
Creditors: Amounts falling due within one year	11	(614,406)	(668,096)
		<u>1,292,939</u>	<u>1,454,962</u>
Net current assets			
		21,600,933	21,852,840
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	14	(8,334,041)	(8,641,997)
Pension – defined benefit net liability	18	(60,000)	-
Deferred income	13	(9,463,037)	(9,769,601)
		<u>3,743,855</u>	<u>3,441,242</u>
Capital and reserves			
Share capital	15	35	32
Revenue reserve		3,743,820	3,441,210
		<u>3,743,855</u>	<u>3,441,242</u>

These financial statements were authorised and approved for issue by the Management Committee on
and signed on their behalf by:


Chairperson – Iris Robertson


Vice Chairperson – Josephine Deacon


Secretary – Audrey Laird

The notes on pages 16 to 30 form part of these financial statements.

NORTH VIEW HOUSING ASSOCIATION LIMITED

STATEMENT of CASH FLOWS

For the year ended 31 March 2023

	Notes	2023 £	2022 £
Net cash provided by operating activities	16	997,551	1,247,873
Cash flow from investing activities			
Construction of Properties	(182,584)		(3,208,640)
Purchase of tangible fixed assets	(502,697)		(508,818)
Interest received	11,986		483
HAG received	-		1,436,703
Net cash used in investing activities		(673,295)	(2,280,272)
Cash flow from financing activities			
Interest paid	(276,022)		(278,739)
Repayments of borrowings	(239,585)		(238,524)
Loan draw down	-		-
Shares Issued	3		3
Net cash used in financing activities		(515,604)	(517,260)
Net change in cash and cash equivalents		(191,348)	(1,549,659)
Cash and cash equivalents at the beginning of the year		1,931,822	3,481,481
Cash and cash equivalents at the end of the year		1,740,474	1,931,822
Analysis of cash and cash equivalents			
Cash in hand		1,740,474	1,931,822
Total cash and cash equivalents		1,740,474	1,931,822
Analysis of Changes in Net Debt			
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash for the year		(191,348)	(1,549,659)
Loan repayments		239,585	238,524
Loan draw downs		-	-
Non cash movements		(52,693)	(51,409)
Net debt as at 1 April 2022		(6,833,202)	(5,470,658)
Net debt as at 31 March 2023		(6,837,658)	(6,833,202)

	As at 31 March 2022 £	Cashflows £	Non Cash Movements £	As at 31 March 2023 £
Cash in hand and at bank	1,931,822	(191,348)	-	1,740,474
Debt due within one year	(123,027)	(121,064)	-	(244,091)
Debt due after one year	(8,641,997)	307,956	-	(8,334,041)
	(6,833,202)	(4,456)	-	(6,837,658)

The notes on pages 16 to 30 form part of these financial statements.

NORTH VIEW HOUSING ASSOCIATION LIMITED

STATEMENT of CHANGES in EQUITY

For the year ended 31 March 2023

	Share Capital £	Revenue Reserve £	Total £
Balance as at 1 April 2022	32	3,441,210	3,441,242
Issue of shares	3	-	3
Surplus for the year	-	302,610	302,610
Balance as at 31 March 2023	35	3,743,820	3,743,855
	35	2,950,814	2,950,849
Balance as at 1 April 2021	35	2,950,814	2,950,849
Issue of shares	3	-	-
Cancellation of shares	(6)	-	(3)
Surplus for the year	-	490,396	490,396
Balance as at 31 March 2022	32	3,441,210	3,441,242

The notes on pages 16 to 30 form part of these financial statements.

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

Year ended 31 March 2023

1. Accounting Policies

Legal Status

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2020.

The address of the Company's registered office and principal place of business is 29a Stravanan Road, Castlemilk, Glasgow G45 9LY.

The Association's principal activities are detailed in the Management Committee's Report. The nature of the Association's operations is detailed in the Management Committee's Report.

North View Housing Association Ltd is a Public Benefit Entity.

Basis of Accounting

These financial statements have been prepared in accordance with UK Generally accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and comply with the Determination of Accounting Requirement 2019 and under the historical cost convention, modified to include certain financial instruments at fair value.

The financial statements are prepared in Sterling (£).

Critical Accounting Estimates and Areas of Judgement

Preparation of the financial statements require management to make critical judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates and assumption will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included below.

Critical accounting estimates:

Useful lives of housing property – management reviews its estimate of the useful lives of depreciable assets at each reporting date based on industry averages and our review of our stock. Uncertainties in these estimates relate to the length of time certain components in our homes will last, with varying levels of use potentially lengthening or shortening the lives of these components.

Recoverable amount of rent arrears and debtors – management considers the reasonable likelihood of rent arrears and debtors being recoverable based on past experience. Whilst there is a significant amount of estimation involved, rent arrears and the bad debt provision are immaterial and therefore this estimate does not have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year.

Net defined benefit pension liability – Management's estimate of the defined benefit obligation is based on a number of critical underlying assumption such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 19). The net benefit pension liability at 31 March 2023 was £60,000.

Going concern

The Management Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. This is based on the Association's Business Plan for 2023/24 which was approved by the Management Committee. This continues to show a strong financial performance with investment in new supply of housing stock, management and maintenance of housing stock and full repayment of all borrowings in the lifetime of the plan. Cash flows remain positive throughout the plan and all financial covenants, which they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Specific consideration of rent arrears as a key uncertainty has been considered in detail through sensitivity testing and monitored closely.

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

Year ended 31 March 2023

1. Accounting Policies (continued)

Turnover and Revenue Recognition

Turnover relates to the income from the letting of properties at affordable rents, together with revenue grants receivable in the period. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Government Grants

Government grants include grants receivable from the Scottish Government, local authorities and other government bodies. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Reasonable assurance is normally obtained when (e.g. the grant has been awarded in writing).

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable the individual components of the structure (excluding land) under the accruals model.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, then any unamortised grant remaining is derecognised as a liability and recognised as income. Where there is a requirement to repay a grant a liability is included in the Statement of Financial Position to recognise this obligation.

Other Grants

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

Fixed assets – Housing Properties

Housing properties are properties for the provision of social housing or to otherwise provide social benefit and are principally properties available for rent.

Completed housing properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring land and buildings and expenditure incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs; or
- A significant extension to the life of the property.

Works to existing properties which fail to meet the above criteria are charged to the Income and Expenditure account.

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale, except for first tranche sales. Any grants received that cannot be repaid from the proceeds of sale are abated and the grant removed from the financial statements.

Depreciation of Housing Properties

i. Housing land and Buildings

The Association separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight line basis over the following years:

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

Year ended 31 March 2023

1. Accounting Policies

Depreciation of Housing Properties (continued)

i. Housing land and Buildings (continued)

Land	Not depreciated
Structure	Over 60 years
Kitchen	Over 15 years
Window	Over 25 years
Heating	Over 30 years
Boiler	Over 15 years
Bathroom	Over 24 years
Doors	Over 25 years
Smoke detectors	Over 10 years

Housing properties for letting under construction are not depreciated throughout the year. The useful life is considered to commence on completion of the asset and therefore depreciation will commence on completion.

Impairment of Fixed Assets

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the RSL estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the statement of comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Other Fixed Assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Furniture, fittings and computer equipment	-	20% straight line
Motor vehicles	-	35% straight line
Office property	-	2% straight line

Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition and construction of qualifying properties are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

All other borrowing costs are expenses as incurred.

Tax

The Association has charitable status and is registered with the Office of Scottish Charities Regulator and is therefore exempt from paying Corporation Tax on charitable activities.

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

Year ended 31 March 2023

1. Accounting Policies

Deposits and Liquid Resources

Cash comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand. Liquid resources are current assets investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying value.

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Employees can carry forward any unused holiday or TOIL entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure require to settle an obligation for termination benefits is recognised immediately as an expense when the RSL is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pensions

Defined Benefit Plan

The Association participated in the Scottish Housing Association Pension Scheme (SHAPS) which is a funded multi-employer scheme and applied defined benefit accounting as a result. The scheme assets were measured at fair value. Scheme liabilities were measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The Association's employees no longer participate in the defined benefit section of the scheme and all previous members transferred over to the defined contribution element. The defined benefit net liability has been extinguished as a result.

Retirement benefits

For defined contribution schemes the amount charged to the Statement of Comprehensive Income is the contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Financial Instruments

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

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument and are offset only when the Association currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income and expenditure for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income and expenditure.

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade or other debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

Year ended 31 March 2023

1. Accounting Policies

Financial Liabilities

Trade creditors

Trade creditors payable within one year that do not constitute a financing transactions are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted as a market rate of interest for a similar instrument.

Borrowings

Borrowing are initially recognised at the transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Commitments to receive a loan are measured at cost less impairment.

Provisions

Provisions are recognised when the Association has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2. Particulars of turnover, operating costs and operating surplus or deficit

	Notes	Turnover £	Operating Costs £	2023 Operating Surplus/ (deficit) £	2022 Operating Surplus/ (deficit) £
Affordable letting activities	3a	3,746,781	(3,015,176)	731,605	710,353
Other activities	3b	24,841	(42,434)	(17,593)	(19,127)
Total		3,771,622	(3,057,610)	714,012	691,226
Total for previous reporting period		3,545,589	(2,854,363)	691,226	

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

Year ended 31 March 2023

3a. Particulars of turnover, operating costs and operating surplus from affordable letting activities

	General Needs Housing £	Supported Housing Accom'n £	Shared Ownership Housing £	Total 2023 £	Total 2022 £
Rent receivable net of service charges	3,357,068	59,371	3,934	3,420,373	3,242,113
Service charges	5,450	26,120	-	31,570	31,117
Gross income from rents and service charges	3,362,518	85,491	3,934	3,451,943	3,273,230
<u>Less: Voids</u>	(31,550)	(9,491)	-	(41,041)	(26,693)
Net income from rents and service charges	3,330,968	76,000	3,934	3,410,902	3,246,537
Grants released from deferred income	306,565	-	-	306,565	247,076
Other revenue grants	29,314	-	-	29,314	24,099
Total turnover from social letting activities	3,666,847	76,000	3,934	3,746,781	3,517,712
Management and administration costs	1,277,190	22,588	1,497	1,301,275	1,204,100
Service costs	5,450	26,120	-	31,570	114,928
Planned and cyclical maintenance including major repairs costs	396,485	286	-	396,771	437,286
Reactive maintenance costs	557,772	1,747	341	559,860	429,866
Bad debts – rents and service charges	(18,799)	-	-	(18,799)	22,104
Depreciation of affordable let properties	730,719	12,923	857	744,499	599,075
Operating costs for affordable letting activities	2,948,817	63,664	2,695	3,015,176	2,807,359
Operating surplus from affordable lettings at 31 March 2023	718,030	12,336	1,239	731,605	710,353
Operating surplus from affordable lettings at 31 March 2022	768,271	(59,594)	1,675	710,353	

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

Year ended 31 March 2023

3b. Particulars of turnover, operating costs and operating surplus from affordable letting activities

	Grants from Scottish Ministers £	Other revenue grants £	Supporting People income £	Other income £	Total turnover £	Operating costs bad debts £	Other operating costs £	Operating surplus or (deficit) £	Operating surplus or deficit for previous reporting Period £
Wider action/wider role	-	21,035	-	-	21,035	-	(38,604)	(17,569)	(6,609)
Factoring	-	-	-	3,806	3,806	-	(3,806)	-	-
Support Activities	-	-	-	-	-	-	(24)	(24)	(12,818)
Other	-	-	-	-	-	-	-	-	300
Total from other activities	-	21,035	-	3,806	24,841	-	(42,434)	(17,593)	(19,127)
2022	-	-	-	27,877	27,877	-	(47,004)	(19,127)	-

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

Year ended 31 March 2023

4. Interest payable and similar charges	2023	2022
	£	£
Interest arising on:		
Bank loans	328,716	330,147
	=====	=====

5. Taxation

The association was awarded charitable status by the Inland Revenue on 26 March 2002 and so is not liable to Corporation Tax on its exempt activities.

6. Operating surplus or deficit	2023	2022
	£	£
Operating surplus is stated after charging/(crediting):		
Depreciation of housing properties	744,498	599,075
Depreciation of other tangible fixed assets – owned	30,666	37,948
	=====	=====

Fees payable to CT in respect of audit services are as follows:

Audit services – statutory audit	12,780	11,160
	-----	-----
	12,780	11,160
	=====	=====

7. Employees

Staff costs (including key management personnel) during the year

Wages and salaries	733,323	681,471
Social security costs	69,553	58,504
Other pension costs	61,993	58,048
	-----	-----
	864,869	798,023
	=====	=====

In addition to the above there were payments made towards the pension past service deficit of £34,673 (2022: £68,165).

The average monthly number of full-time equivalent persons (including key management personnel) employed by the Association during the year were as follows:

	2023	2022
	No.	No.
Administration and maintenance	20	19
	=====	=====

The key management personnel are defined as the members of the Management Committee and the Director.

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

Year ended 31 March 2023

7. Employees

The number of key management personnel who received emoluments (excluding employer pension contributions) in excess of £60,000 during the reporting period fell within the following bands:

	2023	2022
	No.	No.
£60,001 to £70,000	1	1
	=====	=====
	2023	2022
	£	£
Aggregate emoluments payable to the above key management personnel (including Pension contributions and benefits in kind)	76,220	71,259
	=====	=====
Emoluments payable to the Director (excluding pension contributions)	69,466	64,909
	=====	=====
Aggregate pension contributions in relation to the above key management personnel	6,754	6,350
	=====	=====

The Association also paid Employer's National Insurance of £7,598 (2022: £6,706).

Committee of Management expenses £665 (2022: £266).

8. Tangible Fixed Assets – Housing Land and Buildings	Social Housing Properties held for Letting	Housing Properties for letting under Construction	Total
	£	£	£
Cost			
At 1 April 2022	25,850,867	4,680,172	30,531,039
Additions	491,165	182,584	673,749
Disposals	(267,687)	-	(267,687)
Transfers	4,862,756	(4,862,756)	-
	-----	-----	-----
At 31 March 2023	30,937,101	-	30,937,101
	-----	-----	-----
Depreciation and impairment			
At 1 April 2022	10,606,619	-	10,606,619
Charge for the year	708,715	-	708,715
Disposals	(231,904)	-	(231,904)
	-----	-----	-----
At 31 March 2023	11,083,430	-	11,083,430
	-----	-----	-----
Net book value at 31 March 2023	19,853,671	-	19,853,671
	=====	=====	=====
Net book value at 31 March 2022	15,244,248	4,680,172	19,924,420
	=====	=====	=====

The Association considers individual schemes to be separate cash generating units when assessing for impairment. No land or buildings are held under a lease.

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

Year ended 31 March 2023

8. Tangible Fixed Assets – Housing Land and Buildings					2023	2022
					£	£
Expenditure on works to existing properties						
Replacement component spend capitalised					491,165	484,563
Amounts charged to income and expenditure					29,964	17,509
					-----	-----
Total major repairs spend					521,129	502,072
					=====	=====
9. Other tangible fixed assets	Motor Vehicles	Furniture & Fittings	Office Property	Computer Equipment		Total
	£	£	£	£		£
Cost						
At 1 April 2022	82,070	76,336	656,336	59,307		874,049
Additions	-	1,538	-	9,993		11,531
Disposals	-	(5,276)	-	(9,292)		(14,568)
	-----	-----	-----	-----		-----
At 31 March 2023	82,070	72,598	656,336	60,008		871,012
	-----	-----	-----	-----		-----
Depreciation						
At 1 April 2022	69,168	69,729	213,320	48,374		400,591
Charge for the year	6,948	3,091	13,751	6,853		30,643
Disposals	-	(5,253)	-	(9,292)		(14,545)
	-----	-----	-----	-----		-----
At 31 March 2023	76,116	67,567	227,071	45,935		416,689
	-----	-----	-----	-----		-----
Net book value at 31 March 2023	5,954	5,031	429,265	14,073		454,323
	=====	=====	=====	=====		=====
Net book value at 31 March 2022	12,902	6,607	443,016	10,933		473,458
	=====	=====	=====	=====		=====
10. Debtors					2023	2022
					£	£
Amounts falling due within one year:						
Rent and service charges receivable					226,231	250,605
<u>Less:</u> Bad debt provision					(118,000)	(146,751)
					-----	-----
					108,231	103,854
Prepayments and other debtors					58,640	87,382
					-----	-----
					166,871	191,236
					=====	=====

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

Year ended 31 March 2023

11. Creditors: Amounts falling due within one year	2023	2022
	£	£
Debt (note 14)	244,091	123,027
Contractors' certified work	75,169	65,156
Rents in advance	74,564	115,385
Accruals and deferred income	125,407	198,940
Other creditors	95,175	165,539
	-----	-----
	614,406	668,096
	=====	=====
12. Creditors: Amounts falling due after more than one year	2023	2022
	£	£
Debt (note 14)	8,334,041	8,641,997
Deferred Capital Grants (note 13)	9,463,037	9,769,601
	-----	-----
	17,797,078	18,411,598
	=====	=====
13. Deferred capital grant	2023	2022
	£	£
As at 1 April	9,769,601	8,579,974
Grant received in year	-	1,436,703
Disposals	(16,413)	(5,433)
Capital grant released	(290,151)	(241,643)
	-----	-----
At 31 March	9,463,036	9,769,601
	=====	=====
Amounts to be released within one year	290,151	241,643
Amounts to be released in more than one year	9,172,885	9,527,958
	-----	-----
	9,463,036	9,769,601
	=====	=====
14. Debt analysis – Borrowings	2023	2022
	£	£
Creditors: amounts falling due within one year		
Bank loans	244,091	123,027
	-----	-----
Creditors: amounts falling due after more than one year		
Bank loans	8,334,041	8,641,997
	=====	=====

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

Year ended 31 March 2023

14. Debt analysis – Borrowings

Borrowings are denominated and repaid in pounds sterling, have contractual interest rates that are fixed rates and two variable rates that are not leveraged and do not contain conditional returns or repayment provisions other than to protect the lender against credit deterioration or changes in relevant legislation or taxation.

Bank loans are secured by specific charges on the Association's properties. Loans relate to housing properties and Head Office. Loans are repayable at rates of interest of 1% to 6.24% (2022: 1% to 6.24%). The Association makes quarterly repayments of the bank borrowing.

Based on the lender's earliest repayment dates, borrowings are repayable as follows:

	2023	2022
	£	£
Due within one year	244,091	123,027
Due in one year or more but less than two years	248,853	127,534
Due between two and five years	728,503	414,727
Due more than five years	7,356,685	8,099,736
	<u>8,578,132</u>	<u>8,765,024</u>
	=====	=====

15. Share capital and reserves

Share capital

	2023	2022
	£	£
Shares of £1 fully paid and issued at 1 April 2022	32	35
Shares issued during the year	3	3
Shares cancelled during the year	-	(6)
	<u>35</u>	<u>32</u>
	=====	=====

Shares issued at 31 March 2023

16. Cash flow from operating activities

	2023	2022
	£	£
Operating (Deficit)/surplus for year	714,012	691,226
Adjustments for non-cash items:		
Depreciation	775,164	637,023
Amortisation	(306,565)	(247,076)
Pension deficit payments	(34,673)	(68,165)
Decrease in debtors	24,366	(10,914)
Cancellation of shares	-	(6)
Decrease in creditors	(174,753)	245,785
	<u>997,551</u>	<u>1,247,873</u>
	=====	=====

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

Year ended 31 March 2023

17. Capital commitments	2023	2022
	£	£
Expenditure contracted for but not provided for in the financial year	-	135,979
	=====	=====

18. Pension Fund

North View Housing Association Limited participates in the SHAPS UK defined benefit scheme, a multi-employer scheme which provides benefits to some 150 non-associated employers. The scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A recovery plan has been put in place to eliminate the deficit which runs to 23 March 2023 for the majority of employers, although certain employers have different arrangements.

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

As described in the Report of the Management Committee, all staff transferred over from the Defined Benefit (DB) scheme to the Defined Contribution (DC) scheme on 1 April 2020.

Present values of defined benefit obligation, fair value of assets and defined benefit asset/(liability)

	2023	2022
	£	£
Fair value of plan assets	1,285,000	2,078,000
Present value of defined benefit obligation	(1,225,000)	(2,059,000)
	-----	-----
Defined benefit asset/(liability)	60,000	19,000
	=====	=====

As the scheme is a multi-employer scheme, the Committee do not consider that they have significant control over the refunds of contributions or reduction in future contributions where a surplus exists. Accordingly, the asset has not been recognised in the financial statements.

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

Year ended 31 March 2023

18. Pension Fund

Reconciliation of opening and closing balances of the defined benefit obligation

2022

£

Defined benefit obligation at start of period	2,059,000
Current service cost	-
Expenses	2,000
Interest expense	57,000
Actuarial losses due to scheme experience	(182,000)
Actuarial losses due to changes in demographic assumptions	(30,000)
Actuarial losses due to changes in financial assumptions	(581,000)
Benefits paid and expenses	(40,000)

Defined benefit obligation at end of period	1,285,000
	=====

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

2023

£

Fair value of plan assets at start of period	2,078,000
Interest income	58,000
Experience on plan assets (excluding amounts included in interest income) - gain	(908,000)
Contributions by the employer	37,000
Benefits paid and expenses	(40,000)

Fair value of plan assets at end of period	1,225,000
	=====

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2023 was (£850,000).

Defined benefit costs recognised in statement of comprehensive income

2023

£

Current service cost	-
Expenses	2,000
Net interest expense	-

Defined benefit costs recognised in statement of comprehensive income	2,000
	=====

NORTH VIEW HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

Year ended 31 March 2023

18. Pension Fund

Defined benefit costs recognised in other comprehensive income	2023
	£
Experience on plan assets (excluding amounts included in net interest cost) - loss	(908,000)
Experience gains and losses arising on the plan liabilities - gain	182,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	30,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	581,000
Effect of changes in the amount of surplus that is not recoverable – loss	(115,000)
Effect of changes in the amount of surplus that is not recoverable – gain	20,000
	<hr/>
Total amount recognised in other comprehensive income - loss	(95,000)
	<hr/> <hr/>

The Trustee of the Pension Trust (The Trust) has completed a review of the changes made to the benefit structures of the defined benefit schemes within the Trust. The result of this review is that, in some cases, it is unclear whether changes were made to scheme benefits in accordance with the Trust's governing documentation.

The Trustee has been advised to seek direction from the Court on the effect of these changes. This process is ongoing and is unlikely to be resolved until late 2024 at the earliest. This may result in a contingent liability for the Association. However, the extent of this is unknown at this time and no allowance for this has been included in these accounts.

19. Housing Stock

	2023	2022
	No.	No.
The number of units in Management at 31 March 2023 was as follows:		
General needs	692	673
Supported	8	8
Shared ownership	2	2
	<hr/>	<hr/>
	702	683
	<hr/> <hr/>	<hr/> <hr/>

20. Related parties

Eight of the eleven Committee of Management members are also tenants of the Association. Their tenancies are on normal commercial terms. During the year, £42,218 (2022: £29,208) of rent was receivable from these tenant members. At the year end there were £589 (2022: £172) of rent arrears due from these tenant members.

One of the Committee of Management members is a factoring customer. During the year their account incurred charges of £113 (2022: £68). At the year end there were arrears of £74 (2022: £Nil).

Amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year (2022: £Nil) in respect of bad debts from related parties.

There are no other related party transactions to disclose.