

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Group Accounts

Registered Number: SP1860RS

Report and Financial Statements

For the year ended 31 March 2024

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report and Financial Statements

For the year ended 31 March 2024

Contents	Page
Board, Executive and Advisers	2
Report of the Board of Management (incorporating the Strategic Report)	3-13
Statement of the Board of Management's Responsibilities	14
Report of the Auditor on the Financial Statements	15-18
Report of the Auditor on Corporate Governance	19
Group Statement of Comprehensive Income	20
Association Statement of Comprehensive Income	21
Group Statement of Changes in Capital and Reserves	22
Association Statement of Changes in Capital and Reserves	23
Group Statement of Financial Position	24
Association Statement of Financial Position	25
Group Statement of Cash Flows	26-27
Notes to the Financial Statements	28-60

Registration information

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered number SP1860RS
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered number 172
Registered Scottish Charity	SC036434

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report) For year ended 31 March 2024

Board, Executives and Advisers

Board of Management – elected

Andrew Burns	Chair
David Horner	
Sadie Gordon	Vice Chair
Margaret Glass	
Anne Ramsey	Vice Chair
Ian Elrick	
John McIntyre	
Bronwyn Wyper	
Matthew Millar	

Executive Officers

Shona Stephen	Chief Executive
Neil Manley	Director of Finance and Corporate Support
Louise Smith	Director of Neighbourhood Services

Registered Office

45 Firhill Road
Glasgow
G20 7BE

Auditor

Wbg (Audit) Limited
168 Bath Street
Glasgow
G2 4TP

Bankers

Clydesdale Bank plc
1 Woodside Crescent
Charing Cross
Glasgow
G3 7UL

Solicitors

T C Young
7 West George St
Glasgow
G2 1BA

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report) For year ended 31 March 2024

The Board of Management present their Strategic Report and the audited consolidated financial statements for the year ended 31 March 2024.

Overview

Queens Cross Housing Association Limited is a social landlord and registered charity operating in the Queens Cross, Woodside, Westercommon/Hamiltonhill and Dundasvale areas of North West Glasgow. The Group was formed in 1976 with the aim of providing high quality social housing. The Group as at the 31st of March 2024 refers to Queens Cross Housing Association Limited, Queens Cross Factoring Limited, Queens Cross Workspace Ltd and Q.C. Consultants & Project Managers Limited after the latter two joined the group in April 2019. The association's fully owned factoring subsidiary company Queens Cross Factoring Limited provides a factoring service to over 2,506 owners of property in the area. Queens Cross Workspace Limited promotes economic regeneration in the area through the development of rented commercial space and through the provision of training and other financial support.

The Group's main business is the provision of long term affordable rented housing, the provision of housing support for those who need additional help, property management for property owners and the rental of mid-market housing properties. The housing support service is currently funded by a combination of Supporting People grant, self-directed support personalisation budgets from Glasgow City Council and service charge income.

The association owned outright 4,355 properties as at 31 March 2024 and manages the tenancies for the majority of these homes. The association also has a share in 32 shared ownership units. Within this total stock the association leases 139 units/bed spaces to other care providers who manage these tenancies. Of the total stock over 500 units are dedicated to the provision of supported housing to care groups such as older people, people experiencing mental health related issues and young people.

The association, since its incorporation in 1977, has increased its housing stock through both construction, funded through grant and loan finance, and by stock transfer from other bodies such as Scottish Homes, Glasgow City Council (GCC) and Glasgow Housing Association Limited (GHA). The association completed two stock transfers from Glasgow Housing Association Limited in 2011 and 2012 with over 1500 homes transferring. The Association continues to have an active development programme with 309 new homes built in a mix of affordable tenures in recent years. As part of its vision and values the association aims to contribute to the development of the area in social, economic and environmental terms. The association secures Wider Action funding from a variety of sources for this work. Over and above this the Association funds specific wider action work from its own resources if it is seen as contributing to its overall objectives.

Objectives and Strategy

The Queens Cross Group has published a business plan and strategic objectives for the period 2020-2025 with each company in the Group also producing its own business plan and strategic objectives for 2020-25, approved by the relevant Board of Management. The Association will undertake a business planning exercise to refresh and produce a new 5 year plan.

The Group vision is *Excellent Housing in Vibrant Communities* and our shared Group values are *respect, integrity and aspiration*.

The housing association's strategic objectives are:

1. Building and sustaining popular neighbourhoods
2. Creating and supporting greater life opportunities for all
3. Developing greener spaces and community wellbeing
4. Being a dynamic and listening community partner
5. Treating people equally and with respect.

Below the strategic objectives, key departmental priorities are laid out in the internal management plan. As part of this plan, actions and desired outcomes have been identified.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report) For year ended 31 March 2024

Performance of Business

Key Performance Indicators are reported to the Board quarterly across a range of performance, satisfaction and financial indicators and reported annually to the Scottish Housing Regulator via the Annual Return on the Charter and other key financial returns including this annual report. The association has also chosen to be a member of Housemark, a cost and outcomes benchmarking club as a means of promoting and evidencing value for money.

The following are the results in 2023/24 for specific key performance indicators.

Housing

The average void re-let period was at 40 days in 2023/24, up from 33 in 2022/23 with contractor and component availability and utility meter issues continuing to delay re-let times. The target was set at 25 days. Re-let times have improved across the year and we would expect this to continue in the year ahead. A new repairs and maintenance contractor was appointed in March 2023. Total void rent loss was £454,361 in 2023/24 compared to £372,742 (1.78%) in 2022/23 although this includes rent loss for properties in longer term redevelopment which can be excluded from specific ARC targets.

The net current tenant rent arrears reduced to 0.8% compared to 0.96% in 2022/23. The continued reduction was achieved against the backdrop of the cost of living crisis and housing staff worked hard to support tenants apply for qualifying benefits and manage their rent accounts. Former tenants arrears valued at £90,468 was written off compared to £ 34,821 in 2022/23.

At the end of March 2024 there were 5,391 applicants on the housing list (3,938 applicants in March 2023) and 622 tenancy offers were made in 2023/24, compared to 587 in 2022/23. Since introducing our on-line application form in 2021, we have noticed a significant increase in applications. We averaged around 30 applications per week last year. We are working in partnership with Maryhill Housing Association to roll out the Find my Home system we operate across a wider area of north west Glasgow.

Asset Management

There were 19,216 reactive maintenance jobs in the year (17,142 in 22/23) with 93% completed right first time against a target of 90%. This equates to an average of 4.4 (3.90 in 2022/23) repairs per property in the year at an average full cost including overheads of £355 per reactive repair. The continued increase last year in the total number of repairs can be attributed to the catch up of works after the covid period. Of the total 5,263 repairs were emergencies and 99.5% were attended to within 4 hours, whilst urgent repairs have a target of 2 days and routine repairs are within 5 days. Our performance to these response targets is detailed here:

	Actual	Target
Emergency	99.51%	100%
Urgent	99.67%	95%
Routine	99.50%	95%

As at the 31st March 2024, 98.2% of all properties (2,746) requiring a current gas safety certificate had one at the anniversary date with some capped supplies being checked outwith the annual timeframe. These have now been incorporated into the rolling programme.

The association changed its main repair contractor on the 1st of April 2023 following a re-procurement exercise and are working with the new contractor to develop the repair service. The major repairs programme remains very challenging due to an over saturated construction market, inflated tender costs and a shortage of labour and materials. There has been progress in the year however with fabric improvements carried out to properties at Westercommon Drive/ Road and Dundasvale Court. Significant environmental improvements were also carried out within the Woodside area.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report) For year ended 31 March 2024

Operating and Financial Review

As at the 31st of March 2024, 95% of our stock is assessed as meeting the Scottish Housing Quality Standard (SHQS), with 99% of our properties meeting EESSH - the required Energy Efficiency standard - up from 95% the previous year. Whilst 4% of stock are exempt and 1% in abeyance.

Customer satisfaction.

The association has a framework of engagement surveys across the range of its services. From the most recent 2023/24 survey 89% of customers were satisfied by our overall service and 83% were satisfied with the standard on their home when moving in. The percentage of tenants satisfied with management of the neighbourhood they live in was 93%.

Overall 82% of tenants were satisfied with the repair service they received which is seeing an improvement with the new contractor in place. The figure for tenants satisfied with their opportunities to participate in decision making is 98%.

Financial and non-financial key performance indicators

The association's key objectives include the achievement of sound finances and value for money in the delivery of its services. Central to this is ensuring the Association continues to demonstrate its financial viability through its 30 year cash-flow. The association completes this 30 year plan using the BRIXX financial model. This model, the key assumptions within it and the key business risks for the association are reviewed, validated and approved by the Board each year. It is the Board's view that these financial assumptions are prudent and realistic and should ensure that we can continue to deliver affordable rents. The key risks incorporated into the model are detailed in the risk assessment section. The association's financial plan and cash forecast, the projection of operating surpluses and the major repairs and maintenance expenditure, retained reserves and borrowing assumptions behind them are central to the organisation's business plan. It is this business plan which projects the future flows of resources in and out of the association and against which any new developments or activities are assessed. This assessment measures the benefits of new activity against any impact on the financial objectives described above.

Within the 2024/25 budget setting process the Board wanted to meet the affordability measures we apply using the SFHA's rent affordability tool. Balanced against this the association needs to ensure sufficient resources are available to meet its investment obligations on its existing stock and retain the breadth of its tenancy management and support services. The association has continued to experience significant cost pressures across a range of key areas of expenditure, in particular on Investment and Repair costs, Insurance and Utilities and these present a significant challenge in maintaining a service delivery to a certain quality standard whilst keeping rents affordable.

The Association is a member of the Housemark benchmarking club which provides the association with a scorecard for its services in terms of their costs, quality, quantity and overall effectiveness of the services provided compared to a selected peer group. The Housemark results for the 2022/23 year, the latest data available shows that the organisation continues to be in the upper quartile for performance measured by both satisfaction and performance against time to complete targets in its repairs services performance with for example non-emergency repairs taking an average of 5.9 days against the peer group of 8.7 days. Repair costs per property of £800 are above the median of the peer group which was £648, partly driven by a higher number of repairs per property at 3.9 repairs per annum compared to the median 3.3. Within Housing services our performance on rent arrear recovery as a percentage of total income is in the top quartile, at 1.34% against a national average of 3.3% arrear expressed from total income, whilst our performance of universal credit tenants being in arrears is in the top quartile with 25% against the median of 54%. As an organisation we do have a higher direct cost per property for housing management management of £370 per year against the UK median of £305 with resident involvement in particular being above the median. The organisation recognises this investment does result in improved performance across its housing management services with arrears, void and write offs all below UK median. The overheads as a share of turnover % are 13.3% down from 13.7% the previous year and this now sits at the median level for national peer group.

The organisation continues exploring ways forward of making savings in these areas in particular on its premises costs

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Report of the Board of Management (incorporating the Strategic Report)
For year ended 31 March 2024**

Financial and non-financial key performance indicators (continued)

The association has a web based purchase order system to support better and controlled procurement and, in line with new procurement legislation, has developed procurement policies and procedures which outline the required routes to market. These outline thresholds where the use of appropriate frameworks and/or procurement portals, such as Public Contracts Scotland, are required and also suggests where social benefits should be included in any tendering exercise. It is continuing to review and re-procure its services and contracts on an on-going basis.

The association continues to review its pension schemes for their affordability in line with each schemes' valuation cycle. For the SHAPS scheme the association has now adopted full FRS102 disclosure of the liability and the consequential deficit changes are incorporated within these results. In discussion with its auditors the association agreed not to recognise the in year FRS102 surplus on its other SPF pension scheme to the extent that this gain is unlikely to be recognisable in the medium term.

There continues to be uncertainty in relation to funding for supported housing programmes delivered both by the association and by partners based in our properties. We have reviewed our funding streams and increased the level of service charges for our supported housing projects to maximise secure income whilst balancing affordability. We have also undertaken a full review of our leased properties to mitigate the potential risk of funding changes for partner care providers.

The association wants to be in a position to take advantage of any development opportunities that arise. This is done by the accumulation of sufficient reserves over the business cycle, the prudent use of borrowing against assets when necessary, and the accessing of available funding opportunities to cover service and support costs. The level of major repairs work is determined from the 30 year asset lifecycle work-plan. The table below illustrates this point.

Association's results	2023/24	2022/23	2021/22	2020/21	2019/20
	£000's	£000's	£000's	£000's	£000's
Turnover	26,929	25,134	24,963	24,360	24,233
Operating expenditure	26,220	23,241	21,237	20,175	20,265
Operating surplus	709	1,893	3,725	4,184	3,969
Capitalised major repairs	7,592	2,050	1,633	1,325	1,179

The association is required to meet financial covenants in respect of its borrowings which are linked to the level of surplus each year and so future commitments on major repairs spend must be affordable through retained surpluses.

The association is on site with projects that enable us to meet the Scottish Housing Quality Standard and this expenditure is incorporated into the budget plan. A stock condition survey is currently being carried out which will help inform the associations investment plans going forward. Over the next five years, the Association has significant investment ambitions for capital repairs to its housing stock and is looking to have informed discussions with its lenders once the stock condition information is available. The association has prioritised regeneration investment in key areas of its stock and is working with a number of contractors in accessing ECO funding to supplement the association's investment plans and provide enhanced specifications in the works with the aim of making it easier and cheaper to heat our homes.

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Report of the Board of Management (incorporating the Strategic Report)
For year ended 31 March 2024**

The association sees its wider contribution to the economic and social development of the area as very important. Whilst the association's care work has been supported through supporting people income, our wider action activities benefit from other grant funding sourced by the Social Regeneration section. These services aim to be self-financing over the long term and make appropriate contributions to the support costs that help service them, however the association has in the past contributed to them to ensure continuity of service provision. Given the current changes to the sector, the ability to do this going forward may be more limited. The business plan and risk strategy have highlighted the significance of this income in overall financial objectives and this is an area where significant changes are likely to affect the association in the future.

Capital Structure

At the year-end borrowings totalled £69,959,920 (2023: £55,708,566 with the RCF facility with Virgin Money/ Clydesdale now being fully drawn in line with its availability date. In 2018/19 the association prepared for the significant development project at Hamiltonhill by refinancing its loan portfolio. It secured two private placement bonds of £25m and £15m respectively from pension providers. These two bonds have terms of 22 and 30 years respectively with the £25m bond being amortised over the last 5 years. This bond finance is supplemented by two revolving credit facilities from the Clydesdale Bank and Royal Bank of Scotland. The association sought approval in 2023 from the RBS to extend the availability period of their credit facility for a further year.

	Fixed/Capped £	Floating/Callable £
Private placement bond	40,000,000	-
Royal Bank of Scotland	-	7,843,158
Clydesdale/Virgin Money	3,697,743	18,510,243
Total	<u>43,697,743</u>	<u>26,353,401</u>

As part of the refinancing the banking covenants have been aligned to the revised business plan and updated to reflect current accounting rules. The association has been in discussion with its lenders recently as a result of changes in its investment programme and the impact of delays arising from the pandemic and agreed revised covenants for the 23/24 financial year to accommodate this "catch up" investment. With new stock condition information due in 2024 and the impact of high inflation on the investment programme the associations and its lenders are seeking to have further discussions on covenant definitions and levels for the future in 2024.

Cash reserves continue to be placed on deposit with the Group's main banker, Clydesdale Bank and the Royal Bank of Scotland and with the Charities Aid Foundation. Going forward the Board have agreed a deposit and investment strategy that allows short term credit to be repaid where possible to ensure interest costs are minimised. In the forward financial plan the current cash balance is forecast to fall as the development programme at Hamiltonhill commences and the major repair programme continues its investment in existing stock.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report) For year ended 31 March 2024

Development

The association has led work with Glasgow City Council and Scottish Canals to develop a masterplan for the site at Hamiltonhill as part of a wider regeneration of the Forth and Clyde Canal corridor. The masterplan contains proposals for the development of 670 units across this extensive site in a mix of tenures. This will include up to 350 units for sale, to be delivered by an identified preferred Developer/Contractor through the Robertson Group in partnership with QCHA. The regeneration of the Hamiltonhill area as part of the wider canal strategy with Glasgow City Council and Scottish Canals presents a number of potential development opportunities for the association and will be the central focus for the association in the next few years. The overall site is fully in association ownership with planning permission in principle granted for the masterplan, to be delivered in 4 separate phases of housing. Advanced works packages have been completed with ground consolidation of the whole site and a sustainable drainage system linking the site to the Canal, all 100% grant funded at this time. The association in the last year has also completed green/blue infrastructure works to service the full site and is now on-site with the first phase of 208 units (178 for rent). The first houses for rent in phase 1 are due for completion in autumn 2024, with the last houses expected to be delivered by autumn 2025.

Social Regeneration Initiatives

Our vision at Queens Cross Housing Association is to 'create excellent housing in vibrant communities.' Our work in Social Regeneration is key to achieving this vision, and during the year we delivered a busy programme of community-based activity with opportunities for all ages. The Social Regeneration Team was involved in a wide variety of work throughout our communities, making a strong contribution to the wellbeing focus of our business.

Quality, meaningful activities that are available locally and free to access, allows us to bring people together to improve a sense of wellbeing, strengthen community cohesion and tackle social isolation.

The ongoing cost-of-living crisis has been challenging for people in our communities and the funding climate for third sector organisations has been similarly challenging. Nevertheless, the team had an action-packed year, delivering a range of projects and activities in our communities, this included providing people with access to warm spaces and community meals during the colder winter months. The team worked with the Queens Cross Community Foundation who provided targeted grants for community organisations and implemented the John Gray Bursary scheme for the second year running.

The team operated a programme of activity, 6 days per week with an impressive range themed around health and wellbeing, digital inclusion and youth work.

850 people took part in regular activities organised by the team in 2023 / 2024. This is an increase on participation levels from 2022/23. In addition to the regular programme, the team organised various one-off events including cycling taster sessions and community information and consultations sessions. The team also organised community meals and cultural celebration events including Eid, Ramadhan Iftar and Christmas party events. External funding and partnership working helps us to deliver our range of community activities at Queens Cross. During the year we received funding from Glasgow City Council, Scottish Government, National Lottery, Cycling Scotland, and the Royal Horticultural Society.

Queens Cross Factoring Ltd

The subsidiary company providing factoring services to owners increased the number of properties covered by 116 with owners in the former Charing Cross HA being a significant part of the growth. The Factoring company now provides services 2,706 owned properties across north Glasgow.

In the year the company worked with the association in supporting a number of projects which covered owned stock and supported the recovery of repair and investment costs undertaken. In the year it generated £76,063 surplus which supports a gift aid payment to the housing association.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report) For year ended 31 March 2024

Queens Cross Workspace Ltd

The subsidiary managing a total of 77 commercial properties ran at an average occupancy of 96% and generated a turnover of £940,517, a surplus of £347,442.

The year saw the acquisition of an additional three retail units which required significant renovation, once completed this will provide versatile retail spaces in the heart of the Queens Cross Community. The year also saw increased investment in technology, building improvements and attracting new tenants to our area providing local jobs and community activities.

Risk and Uncertainties

As part of the business planning process the Group has put into place an enhanced risk review policy. Risks are defined as events that will impact on the achievement of the business plan objectives. Arising from these processes the key risks are identified and scored for their impact and probability. Strategies to address these risks have been drawn up.

Significant risks that were identified from the process were:

- Increasing arrears as a result of the cost of living crisis, utility cost rises, welfare benefit changes and continued impact of Covid 19. The association aims to monitor performance carefully in this area and has made specific adjustments to forward budget forecasts, service delivery and communication to tenants through the welfare reform strategy. It has also invested in Rent Connect, a software application to assist arrears management.
- The association continues within its financial planning to limit the assumption of rent growth over and above inflation. Our aim is, where possible, to ensure that our rents continue to be affordable as shown by the SFHA rent affordability tool;
- significant now Inflationary pressures, over and above those factored into the current business plan, on maintenance and major repairs expenditure may be an area of concern.
- Contractor and component availability may continue to be an issue. The impact of Covid 19 and Brexit has had a significant effect in this area. The business plan does make prudent estimates on the prospects for cost and income growth. The association has also moved to a new repair provider in 2023 and this transition and new relationship will come with some risks that will need to be managed.
- The association saw a considerable increase in its pension scheme contributions to the SHAPS pension scheme in 2016/17 as a result of the triennial pension valuation. It was decided in 2016 to close the final salary scheme and transfer staff into a CARE 1/80th closed scheme and offer the CARE 1/120th scheme to new members of staff. The association also offers a defined contribution scheme which it is using to meet its pension auto enrolment obligations. It will continue to explore options to mitigate the risks in this area with a further valuation due in 2024;
- The association worked with Social Work Services on reworking the model of care for older people and is now delivering through an Older People's Service model but again funding has been reduced and the association has had to review the structure and resourcing of the service.
- Reductions in levels of capital grant for securing progress on development plans which would increase the need for private finance to facilitate new schemes; and
- Interest rate increases which would have an interest cost impact for the Association. The Association is actively managing this risk through a rate hedging strategy covered in more detail in the Capital Structure section (page 6) and accessing long term bond finance.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report) For year ended 31 March 2024

- Asset quality issues and the increased awareness of issues like dampness and mould, regulatory focus on compliance issues at a time when repair and investment costs are rising above inflation will present a cost pressure risk for the Association.
- The association has always had a robust approach to fire safety. Following the Grenfell Tower fire and the subsequent and on-going reviews there may be a requirement for additional investment, with an as yet unidentified financial impact. Fire and smoke detection systems have been installed in all our properties.

In addition to the embedded risk policy, specific risks are also considered within the internal management plan with mitigating actions drawn up.

Future Plans

The association continues to identify other future potential sites that it would like to develop and will consider these in line with its development strategy and an assessment of each one's financial viability and cash-flow calculation and funding availability. In addition to Hamiltonhill the association has sites at Glenfarg Street and Burnbank Gardens where it is on site and is working up plans for these sites. Going forward the association would be interested in developing homes on the site of the old Woodside Health Centre.

Over and above the core housing business, the association will continue to seek and secure external funding for its wider role activities in pursuance of its charitable aims.

Accounting Policies

The accounting policies applied by the Group are detailed in the notes to the accounts. It is useful here to note the key policies that affect the figures in the annual report. Property is recorded at the historical cost of construction and has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected economic useful life. Deferred Capital grant is held as a creditor on the Statement of Financial Position and in line with FRS 102, it is amortised to the Statement of Comprehensive Income over the useful life of the asset.

The Board of Management and Executive Officers

The Board of Management and executive officers of the association are listed on page 2.

Each elected member of the Board of Management holds one fully paid share of £1 in the association although independent members do not require to be members. The executive officers of the association hold no interest in its share capital and, although not having the legal status of directors, they act as executives within the authority delegated by the Board of Management.

Governance

The association is regulated by the Scottish Housing Regulator and managed by an elected Board of Management. The Board of Management has overall responsibility for managing the association's finances and is supported by the Audit Sub-Committee who have specific responsibility for overseeing the financial controls of the association. The Audit Sub-Committee meets quarterly, and the Committee is supported by the work of both the internal and external auditors. The Board of Management is charged with overseeing the management of the association and monitoring its financial and non-financial performance.

Health and Safety

The Board and senior staff of the association and its subsidiaries are aware of their responsibilities with regards to health and safety. The association and its subsidiary prepare detailed policies on health and safety and provides staff training and education on these areas.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report) For year ended 31 March 2024

Equality and Diversity

The Queens Cross Group is committed to promoting a culture of respect, integrity and understanding. We aim to break down barriers to communication and participation, to eliminate discrimination and give equal opportunity and access for all groups, communities and individuals to employment and services. Throughout the Group there will be a consistent approach to promoting equality, diversity and inclusion across all areas. In addition to our statutory responsibility contained in the Housing Scotland Act 2010 we are keen to create safe and inclusive neighbourhoods and an environment where people can live and work without experiencing any form of discrimination or harassment.

Investors in People

The association has Investors in People status and the organisation will continue to put a high priority on establishing standards and systems to support its service delivery. The recruitment, retention and development of high quality staff who support the aims and values of the organisation will continue to be central to the Association.

Agency Work

We have also been active in providing agency services to other housing associations including property development, clerk of works services, marketing of property for sale, and general housing management.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report) For the year ended 31 March 2024

Statement on Internal Financial Controls

The Board of Management acknowledge their ultimate responsibility for ensuring that the Group has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information used within the Group or for publication;
- The maintenance of proper accounting records; and
- The safeguarding of assets against unauthorised use or disposition.

It is the Board of Management's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements include ensuring that:

- (a) Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the association's assets;
- (b) Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- (c) Forecasts and budgets are prepared which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set out for the year. During the financial year, regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information. Significant variances from budgets are investigated as appropriate;
- (d) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the relevant sub-committees which are comprised of Board of Management members;
- (e) The association has appointed a firm of accountants, on a consultancy basis, as internal auditors with the specific responsibility of assessing the adequacy and reliability of the system of internal financial control. The results of such reviews are reported to the Audit Sub-Committee;
- (f) The Board of Management reviews reports from the external auditor to provide reasonable assurance that control procedures are in place and are being followed; and
- (g) Formal practices have been established for instituting appropriate action to correct weaknesses identified from the reports of the external and internal auditors.

The Board of Management have reviewed the effectiveness of the system of internal financial control in existence in the Group for the year ended 31 March 2024. No weaknesses were found in 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.

Related Party Transactions

Some members of the Board of Management are tenants. Their tenancies are on the association's normal tenancy terms and, in common with other members of the Board of Management, they cannot use their positions to their personal advantage. Details of transactions with Board members can be found at note 34.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Report of the Board of Management (incorporating the Strategic Report)
For the year ended 31 March 2024**

Charitable Donations

During the year the Group made charitable donations to other parties amounting to £16,125 (2023: £18,151) including £15,000 to the QC Community Foundation. A further £10,608 of estimated staffing and meeting room costs were also donated to the QC Community Foundation.

Disclosure of information to the auditor

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

- So far as each Board member is aware, there is no relevant information of which the Group'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 Group's auditor is aware of the information.

Auditor

A formal tender for the provision of external audit services was undertaken in 2022 and Wbg (Audit) Limited (formerly Wylie & Bisset (Audit) Limited) appointed for a period of up to 3 years with the option to extend for a further 2 years.

By order of the Board of Management



Andrew Burns

Chair

Dated: 27 August 2024

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Statement of the Board of Management's Responsibilities For the year ended 31 March 2024

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 surplus or deficit of the Association for the year ended on that date. 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; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association.

The Board is also responsible for safeguarding the assets of the Association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Auditor to the Members of Queens Cross Housing Association Limited For the year ended 31 March 2024

We have audited the consolidated financial statements of Queens Cross Housing Association Limited for the year ended 31 March 2024 which comprise the Group and Association's Statement of Comprehensive Income, the Group and Association's Statement of Changes in Capital and Reserves, the Group and Association's Statement of Financial Position, the Group's Statement of Cash Flows and the related notes. 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).

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 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.

Respective responsibilities of the Board of Management and the auditor

As explained more fully in the Statement of the Board of Management's Responsibilities set out on page 14, the Board of Management is responsible for the preparation of financial statements which give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2024 and of the Group's and Association's income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2014 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 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

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Auditor to the Members of Queens Cross Housing Association Limited For the year ended 31 March 2024

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 associations' 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 Board of Management are 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

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:

- The information given in the Report of the Board of Management is inconsistent with the Financial Statements;
- Proper books of accounts have not been kept by the Association in accordance with the requirements of the legislation;
- A satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirement of the legislation;
- The financial statements are not in agreement with the books of accounts; or
- We have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.

Responsibilities of the Board of Management

As explained more fully in the Boards' Responsibilities Statement set out on page 14 the Board of Management 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 Board of Management 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 of Management are 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 of Management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Auditor to the Members of Queens Cross Housing Association Limited For the year ended 31 March 2024

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.

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures in response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following:

- The nature of the association and the industry, control environment and business performance including performance targets; and
- Our enquiries of management about their identification and assessment of the risks of irregularities.

Based on our understanding of the company and the industry we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the company's industry operations including compliance with the Scottish Housing Regulator; and
- UK tax legislation.

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Posting inappropriate journal entries; and
- Management bias in accounting estimates.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Auditor to the Members of Queens Cross Housing Association Limited For the year ended 31 March 2024

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following:

- Gaining an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates including the requirements of the Scottish Housing Regulator;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management and legal advisors concerning actual and potential litigation and claims;
- Reviewing correspondence with HMRC; and
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments' assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and, evaluating business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would be to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

DocuSigned by:



Scott Gillon BA (Hons) FCCA, CA, (Senior Statutory Auditor)
Wbg (Audit) Limited, Statutory Auditor
168 Bath Street
Glasgow G2 4TP

Date: 27 August 2024

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Auditor to the Board of Management of Queens Cross Housing Association Limited on Corporate Governance Matters For the year ended 31 March 2024

In addition to our audit of the financial statements, we have reviewed your statements on page 12 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

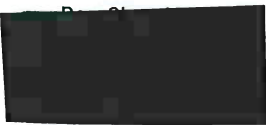
Basis of Opinion

We carried out our review having regard to the requirements 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 any non-compliance.

Opinion

In our opinion your Statement on Internal Financial Controls on page 12 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 controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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



Scott Gillon BA (Hons) FCCA, CA, (Senior Statutory Auditor)
Wbg (Audit) Limited, Statutory Auditor
168 Bath Street
Glasgow G2 4TP

Date: 27 August 2024

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Group Statement of Comprehensive Income
For the year ended 31 March 2024**

	Note	2024 £	2023 £
Turnover	4	29,144,085	27,341,114
Operating expenditure	4	(28,128,603)	(25,027,750)
Operating surplus	4	1,015,482	2,313,364
Gain on disposal of property, plant and equipment		-	116,058
Increase in value of properties		20,000	74,000
Interest receivable and other income	7	1,287,012	526,449
Interest payable and similar charges	8	(2,799,721)	(2,380,904)
(Deficit)/Surplus before tax		(477,227)	648,967
Taxation	12	(8,994)	(23,504)
(Deficit)/Surplus for the year		(486,221)	625,463
Other comprehensive income			
Actuarial (loss) on the defined benefit pension scheme	31	(2,380,788)	(1,504,000)
Total comprehensive (loss) for the year		(2,867,009)	(878,537)

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Association Statement of Comprehensive Income
For the year ended 31 March 2024**

		2024	2023
		£	£
	Note		
Turnover	4	26,929,021	25,133,506
Operating expenditure	4	(26,220,066)	(23,240,718)
Operating surplus	4	708,955	1,892,788
Gift aid income		20,000	17,500
Gain/ (Loss) on disposal of property, plant and equipment		-	116,058
Interest receivable and other income	7	1,234,538	461,883
Interest payable and similar charges	8	(2,799,721)	(2,380,904)
(Deficit)/surplus before tax		(836,228)	107,325
Taxation	12	-	-
(Deficit)/surplus for the year		(836,228)	107,325
Other comprehensive income			
Actuarial (loss) on the defined benefit pension scheme	31	(2,380,788)	(1,504,000)
Total comprehensive (loss) for the year		<u>(3,217,016)</u>	<u>(1,396,675)</u>

The results for the year relate wholly to continuing activities

The notes form part of these financial statements.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Group Statement of Changes in Capital and Reserves at 31 March 2024

	Share Capital £	Revenue Reserves £	Other Reserves £	Total Reserves £
Balance at 1 April 2023	126	62,859,764	604,132	63,464,022
Share capital issued	6	-	-	6
Share capital cancelled	(6)	-	-	(6)
Total comprehensive income	-	(2,867,009)	-	(2,867,009)
	<u>126</u>	<u>59,992,755</u>	<u>604,132</u>	<u>60,597,013</u>
Balance at 31 March 2024	<u>126</u>	<u>59,992,755</u>	<u>604,132</u>	<u>60,597,013</u>

Group Statement of Changes in Capital and Reserves at 31 March 2023

	Share Capital £	Revenue Reserves £	Other Reserves £	Total Reserves £
Balance at 1 April 2022	121	63,738,301	604,132	64,342,554
Share capital issued	11	-	-	11
Share capital cancelled	(6)	-	-	(6)
Total comprehensive income	-	(878,537)	-	(878,537)
	<u>126</u>	<u>62,859,764</u>	<u>604,132</u>	<u>63,464,022</u>
Balance at 31 March 2023	<u>126</u>	<u>62,859,764</u>	<u>604,132</u>	<u>63,464,022</u>

The notes form part of these financial statements.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Association Statement of Changes in Capital and Reserves at 31 March 2024

	Share Capital	Revenue Reserves	Total Reserves
	£	£	£
Balance at 1 April 2023	126	48,142,358	48,142,484
Share capital issued	6	-	6
Share capital cancelled	(6)	-	(6)
Total comprehensive income	-	(3,217,016)	(3,217,016)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2024	126	44,925,342	44,925,468
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Association Statement of Changes in Capital and Reserves at 31 March 2023

	Share Capital	Revenue Reserves	Total Reserves
	£	£	£
Balance at 1 April 2023	121	49,539,033	49,539,154
Share capital issued	11	-	11
Share capital cancelled	(6)	-	(6)
Total comprehensive income	-	(1,396,675)	(1,396,675)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2024	126	48,142,358	48,142,484
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Group Statement of Financial Position As at 31 March 2024

	Note	2024 £	2023 £
Tangible fixed assets			
Housing properties	13	161,739,530	143,766,929
Intangible fixed assets	14	1,305	1,740
Other fixed assets	17	18,311,232	17,988,563
		<u>180,052,067</u>	<u>161,757,232</u>
Current assets			
Debtors (amounts falling due after more than one year)	19	-	481,051
Debtors (amounts falling due within one year)	19	4,262,076	516,215
Stock and work in progress	20	5,114	5,437
Investments	21	29,282,331	26,092,572
Cash and cash equivalents	22	18,720,804	10,272,882
		<u>52,270,325</u>	<u>37,368,157</u>
Creditors: amounts falling due within one year	23	<u>(12,995,248)</u>	<u>(10,256,676)</u>
Net current assets		<u>39,275,077</u>	<u>27,111,481</u>
Total assets less current liabilities		219,327,144	188,868,713
Creditors: amounts falling due after more than one year	24	(156,438,856)	(125,278,840)
Pension (liability)/asset	31	(2,125,000)	40,519
Deferred tax	27	(166,275)	(166,370)
		<u>(158,729,131)</u>	<u>(125,394,691)</u>
Net assets		<u>60,597,013</u>	<u>63,464,022</u>
Capital and reserves			
Share capital	28	126	126
Revenue reserve	29	59,992,755	62,859,764
Other reserves	29	604,132	604,132
		<u>60,597,013</u>	<u>63,464,022</u>

The financial statements were authorised for issue by the Board of Management on 27th August 2024 and were signed on its behalf by:

Andrew Burns



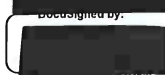
Chair

Anne Ramsey



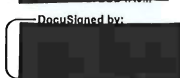
Vice Chair

Sadie Gordon



Vice Chair

Neil Manley



Secretary

The notes form part of these financial statements.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Association Statement of Financial Position
As at 31 March 2024**

	Note	2024 £	2023 £
Tangible fixed assets			
Housing properties	13	161,739,530	143,766,929
Other fixed assets	17	2,487,009	2,344,852
		<u>164,226,539</u>	<u>146,111,781</u>
Investments	18	1	1
		<u>164,226,540</u>	<u>146,111,782</u>
Current assets			
Debtors (amounts falling due after more than one year)	19	441,160	507,160
Debtors (amounts falling due within one year)	19	4,134,933	543,098
Investments	21	29,282,332	26,092,573
Cash and cash equivalents	22	16,389,772	8,571,093
		<u>50,248,197</u>	<u>35,713,924</u>
Creditors: amounts falling due within one year	23	(11,474,787)	(9,176,624)
Net current assets		<u>38,773,410</u>	<u>26,537,300</u>
Total assets less current liabilities		202,999,950	172,649,082
Creditors: amounts falling due after more than one year	24	(155,949,482)	(124,547,117)
Pension (liability)/asset	31	(2,125,000)	40,519
Net assets		<u>44,925,468</u>	<u>48,142,484</u>
Capital and reserves			
Share capital	28	126	126
Revenue reserve	29	44,925,342	48,142,358
		<u>44,925,468</u>	<u>48,142,484</u>

The financial statements were authorised for issue by the Board of Management on 27th August 2024 and were signed on its behalf by:

Andrew Burns	Signed by: 	Chair
Anne Ramsey	DocuSigned by: 	Vice Chair
Sadie Gordon	DocuSigned by: 	Vice Chair

The notes form part of these financial statements.

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Group Statement of Cash Flows
For the year ended 31 March 2024**

	Notes	2024	2023
		£	£
Net cash generated from operating activities	1	3,750,750	5,934,653
Cashflow from investing activities			
Purchase of property, plant and equipment		(27,727,611)	(11,377,836)
Purchase of other fixed assets		(539,990)	(577,198)
Grants received		23,714,893	4,718,848
Repayment of deferred capital government grant		(54,639)	(187,293)
Interest received		1,287,012	526,449
		<u>(3,320,335)</u>	<u>(6,897,030)</u>
Cashflow from financing activities			
Interest paid		(2,799,720)	(2,380,904)
Drawdown of borrowings		15,000,000	-
Repayment of borrowings		(993,020)	(690,720)
Deposits in current asset investments		(3,189,759)	(379,638)
Issue of share capital		6	11
		<u>8,017,507</u>	<u>(3,451,251)</u>
Net change in cash and cash equivalents		8,447,922	(4,413,628)
Cash and cash equivalents at 1 April		10,272,882	14,686,510
Cash and cash equivalents at 31 March		<u>18,720,804</u>	<u>10,272,882</u>
		<u>8,447,922</u>	<u>(4,413,628)</u>

The notes form part of these financial statements.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Group Statement of Cash Flows
For the year ended 31 March 2024**

1. Net cash generated from operating activities

	2024	2023
	£	£
(Deficit) / Surplus for the year	(477,227)	648,967
<u>Adjustments for non-cash items</u>		
Depreciation of property assets	5,597,258	5,354,919
Impairment	-	20,000
Amortisation	435	581
Depreciation of other fixed assets	236,474	225,398
Decrease / (Increase) in stock	323	(1,159)
(Increase) in debtors	(3,264,810)	(176,561)
Increase in creditors	1,988,373	528,802
SHAPS past deficit movements	(215,269)	(382,000)
Loss on disposal of other fixed assets	847	132,236
Loss on disposal of components	350,087	-
Write off of previously capitalised Under Construction amounts	228,447	-
Movement in deferred tax provision	(95)	-
<u>Adjustments for investing and financing activities</u>		
(Increase)/decrease in valuation of investment properties	(20,000)	(94,000)
Interest payable	2,799,720	2,380,904
Interest received	(1,287,012)	(526,449)
Release of deferred capital government grant	(2,180,025)	(2,153,475)
Forfeited share capital	(6)	(6)
Taxation paid	(6,770)	(23,504)
	<hr/>	<hr/>
Net cash generated from operating activities	3,750,750	5,934,653
	<hr/> <hr/>	<hr/> <hr/>

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2024****1. General Information**

The consolidated 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 United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2014. The principal accounting policies are set out below:

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

The presentation currency is pounds 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 the United Kingdom. The Association is a registered social landlord in Scotland and its registered number is 172. The registered address is 45 Firhill Road, Glasgow G20 7BE.

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**Introduction and accounting basis**

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

Going concern

The Group has a healthy cash position and the Board of Management anticipates a surplus for 2024/25 and 2025/26. The Board is satisfied that there are sufficient resources in place to continue operating for the foreseeable future and meet the planned capital investment programme over the next 5 years with finance facilities in place. Forward cash-flow forecasts have been prepared for the Board to evidence this forward viability. Thus the Board continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover**Association**

Turnover represents rental and service charge income and fees or revenue grants receivable from Glasgow City Council, the Scottish Government, and other sources. Also included is any income from first tranche shared ownership disposals.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

2. Principal accounting policies (continued)

Queens Cross Factoring Limited

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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 in which they are incurred.

Interest receivable

Interest income is recognised in the Statement of Comprehensive Income using the effective interest rate method.

Interest payable

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.

Lessor

The Association rents out commercial property under formal leases. The rental income is recognised within other activities (note 6) on an accruals basis and when the Association is entitled to that income.

Fixed assets - Housing properties

Housing properties are stated at cost, less accumulated depreciation. The development cost of housing properties includes:-

1. Cost of acquiring land and buildings;
2. Development expenditure including administration costs; and
3. Capitalisation of interest during the development phase.

These costs are either termed "qualifying costs" by the Scottish Government for approved social housing grant or are considered for mortgage loans by the relevant lending authorities or are met out of the Association's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value are included in the accounts for the year, provided that the dates of issue or valuation are prior to the year-end.

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

2. Principal accounting policies (continued)

Shared equity

On completion of construction, shared equity units are held in stock along with the grant received. On completion of the first tranche sale, the Association's obligation ceases and the cost and grant are de-recognised through the Statement of Comprehensive Income.

Fixed assets – investment properties

Investment properties are initially recorded at cost. Thereafter investment properties are held at market value with any changes in market value recognised in the Statement of Comprehensive Income.

Fixed assets – other fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'operating expenditure' in the Statement of Comprehensive Income.

Depreciation

1. Housing properties

Housing properties are stated at cost less accumulated depreciation. Each housing unit has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected economic useful life. The following major components and useful lives have been identified by the Group:

- Land - not depreciated
- Structure - over 50 years
- Windows/Doors - over 30 years
- Bathroom - over 30 years
- Electrical - over 30 years
- Roofing - over 30 years
- Boiler plumbing - over 15 years
- Kitchen - over 15 years
- Lifts - over 10 years

In the year of addition, the component is depreciated from the date of addition.

In the year of disposal, the net book value of the component being replaced is written off and is included in the depreciation charge for the year.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

2. Principal accounting policies (continued)

Depreciation (continued)

2. Other fixed assets

Depreciation is charged on other fixed assets so as to write off the asset cost less any recoverable value over its anticipated useful life. The following rates have been used:-

Leasehold Property	-	Over the lease term
Furniture, Fittings & Equipment	-	15 - 25% on cost
Computer Equipment	-	25% reducing balance

A full year's depreciation is charged in the year of purchase.

No charge is made in the year of disposal.

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.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Rental arrears

Rental arrears represent amounts due by tenants for 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 18.

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.

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2024****2. Principal accounting policies (continued)****Current asset investments**

Current asset investments are represented by long term deposits with financial institutions repayable after more than three months.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Financial instruments

The Group 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 Group has transferred substantially all the risks and rewards or ownership.

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

Government capital grants

Government Capital Grants, at amounts approved by The Scottish Government or Glasgow City Council, are paid directly to the Group 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 Group to recognise income on a systematic basis over the period in which the Group recognises the related costs for which the grant is intended to compensate.

Government revenue grants

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

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2024

2. Principal accounting policies (continued)

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.

Loans

Mortgage loans are advanced by Private Lenders under the terms of individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments which have been given approval by the Scottish Government.

Financial commitments

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

The principal office premises of the Group are held on a full repairing lease. The lease termination date is 2026.

Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date in the United Kingdom where the group operates and generates income.

Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the Statement of Financial Position date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

2. Principal accounting policies (continued)

Pensions (note 32)

Strathclyde Pension Fund

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.

The difference between actual and expected returns on assets during the year, including changes in the actuarial assumptions, is recognised in Other Comprehensive Income.

Scottish Housing Association Pension Scheme (SHAPS)

The Association participates in The Scottish Housing Associations' Defined Benefits Pension Scheme (SHAPS) and retirement benefits to employees are funded by the contributions from all participating employers and employees in the scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating entities taken as a whole.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers as the Scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total Scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the Scheme rather than by reference to individual employer experience.

Thus the Scheme is accounted for as a defined contribution scheme. However the Group has entered into a past service deficit repayment agreement with the Pension Trust and per FRS 102, this discounted past service deficit liability has been recognised in the Statement of Financial Position.

Other Reserves

In line with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities), any gain on revaluation is recognised in the Statement of Comprehensive Income. As this gain is non-distributable a transfer has been made to other reserves in order to keep this separate from distributable reserves.

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

Estimate

Useful lives of property, plant and equipment

The main components of housing properties and their useful lives

Recoverable amount of rental and other trade receivables

The obligations under the SHAPs pension scheme and the Strathclyde pension scheme

The valuation of investment properties

Basis of estimation

The useful lives of property, plant and equipment are based on the knowledge of senior management at the Group, with reference to expected asset life cycles.

The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.

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.

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

The investment properties were valued by an appropriately qualified surveyor using market data at the date of valuation.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

4. Particulars of Turnover, Operating Expenditure and Operating Surplus/(Deficit)

Group	2024			2023		
	Turnover £	Operating Expenditure £	Surplus /Deficit £	Turnover £	Operating Expenditure £	Surplus /Deficit £
Social Lettings (Note 5)	24,522,723	(22,434,506)	2,088,217	22,840,231	(19,667,492)	3,172,739
Other activities (Note 6a)	1,823,044	(3,202,306)	(1,379,262)	1,755,551	(3,035,502)	(1,279,951)
Queens Cross Factoring Limited	1,857,801	(1,878,716)	(20,915)	1,793,363	(1,734,698)	58,665
Queens Cross Workspace group	940,517	(613,075)	327,442	951,969	(590,058)	361,911
	<u>29,144,085</u>	<u>(28,128,603)</u>	<u>1,015,482</u>	<u>27,341,114</u>	<u>(25,027,750)</u>	<u>2,313,364</u>
Association	2024		Operating Surplus/ (Deficit) £	Turnover £	Operating Expenditure £	2023 Operating Surplus/ (Deficit) £
Social Lettings (Note 5)	24,522,723	(22,434,506)	2,088,217	22,840,231	(19,667,492)	3,172,739
Other activities (Note 6b)	2,406,298	(3,785,560)	(1,379,262)	2,293,275	(3,573,226)	(1,279,951)
	<u>26,929,021</u>	<u>(26,220,066)</u>	<u>708,955</u>	<u>25,133,506</u>	<u>(23,240,718)</u>	<u>1,892,788</u>

QUEENS CROSS HOUSING ASSOCIATION LIMITED**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**

Association	General Needs Housing £	Supported Housing Accommodation £	Shared Ownership Accommodation £	2024 Total £	2023 Total £
Income from rent and service charges					
Rent receivable net of service charges	18,775,180	2,487,764	105,360	21,368,304	19,826,422
Service charges	308,532	986,154	-	1,294,686	1,117,489
Gross income from rents and service charges	<u>19,083,712</u>	<u>3,473,918</u>	<u>105,360</u>	<u>22,662,990</u>	<u>20,943,911</u>
Less voids	(401,201)	(53,160)	-	(454,361)	(372,742)
Net Income from Rents and Service Charges	<u>18,682,511</u>	<u>3,420,758</u>	<u>105,360</u>	<u>22,208,629</u>	<u>20,571,169</u>
Release of Deferred Government Grant	1,924,962	255,063	-	2,180,025	2,153,475
Grants from the Scottish Ministers	-	134,069	-	134,069	115,587
Total turnover from social letting activities.	<u>20,607,473</u>	<u>3,809,890</u>	<u>105,360</u>	<u>24,522,723</u>	<u>22,840,231</u>
Expenditure					
Management and maintenance administration costs	(5,977,776)	(784,414)	(14,649)	(6,776,838)	(6,600,661)
Service charges	(219,722)	(29,114)	-	(248,836)	(216,781)
Planned cyclical maintenance	(2,256,002)	(295,905)	-	(2,550,907)	(2,333,306)
Reactive maintenance costs	(6,028,979)	(791,133)	-	(6,820,113)	(5,198,445)
Bad debts – rents and service charge	(79,883)	(10,585)	-	(90,468)	(34,921)
Depreciation of social housing*	(5,257,453)	(689,892)	-	(5,947,345)	(5,283,378)
Operating expenditure for social letting activities	<u>(19,818,815)</u>	<u>(2,601,043)</u>	<u>(14,649)</u>	<u>(22,434,507)</u>	<u>(19,667,492)</u>
Operating surplus on letting activities, 2024	<u>788,658</u>	<u>1,208,847</u>	<u>90,711</u>	<u>2,088,216</u>	<u>3,172,739</u>
Operating surplus on letting activities, 2023	<u>1,943,194</u>	<u>1,165,685</u>	<u>63,860</u>	<u>3,172,739</u>	<u>5,010,446</u>

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2024

This is made up of £4,750,542 (2023: £5,115,139) depreciation charge per note 13 and the loss on disposal of components of £1,182,978 (2023: £168,239) included in depreciation in accordance with the SORP as per note 13. Depreciation of £209,853 (2023: £201,315) in relation to other fixed assets per note 16 is included as an administration costs.

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

Group	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total Turnover		Other operating expenditure		Operating surplus/(deficit)	
					£	£	2024	2023	2024	2023
Wider role activities #	-	211,899	-	-	211,899	201,741	(777,897)	(705,687)	(565,998)	(503,946)
Development and construction of property activities	-	235,354	-	-	235,354	177,875	(552,327)	(456,053)	(316,973)	(278,178)
Support activities	-	-	794,054	126,552	920,606	1,003,583	(1,872,082)	(1,873,762)	(951,476)	(870,179)
Agency/management services for RSLs	-	-	-	-	-	-	-	-	-	-
Other agency / management services	-	-	-	-	-	-	-	-	-	-
Developments for sale to RSLs	-	-	-	-	-	-	-	-	-	-
Development and improvements for sale to non RSLs	-	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	50,448	50,448	41,483	-	-	50,448	41,483
Car park income	-	-	-	86,850	86,850	86,850	-	-	86,850	86,850
Furlough grant	-	-	-	-	-	-	-	-	-	-
RHI energy payments	-	-	-	317,887	317,887	244,019	-	-	317,887	244,019
Total from other activities, 2024	-	447,253	794,054	581,737	1,823,044	-	(3,202,306)	-	(1,379,262)	-
Total from other activities, 2023	89,915	243,380	786,287	635,969	1,755,551	-	(3,035,502)	-	(1,279,951)	-

Undertaken to support the community, other than the provision, construction, improvement and management of housing. The deficit is a result of both overheads and our commitment to fund areas like youth employability even when the grant funding declines. There is a specific action plan in place to tackle this deficit.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

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

Association	Grants from Scottish Ministers		Other revenue grants	Supporting people income	Other income	Total Turnover		Other operating expenditure		Operating surplus/(deficit)	
	£	£				2024	2023	2024	2023		2024
Wider role activities #	-	211,899	-	-	-	211,899	201,741	(777,897)	(705,687)	(565,998)	(503,946)
Development and construction of property activities	-	235,354	-	-	-	235,354	177,875	(552,327)	(456,053)	(316,973)	(278,178)
Support activities	-	-	794,054	-	126,552	920,606	1,003,583	(1,893,641)	(1,915,831)	(973,035)	(912,248)
Agency/management services for RSLs	-	-	-	-	-	-	-	-	-	-	-
Other agency / management services	-	583,254	-	-	-	583,254	537,724	(561,695)	(495,655)	21,559	42,069
Developments for sale to RSLs	-	-	-	-	-	-	-	-	-	-	-
Development and improvements for sale to non RSLs	-	-	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	50,448	-	50,448	41,483	-	-	50,448	41,483
Car park income	-	-	-	-	-	86,850	86,850	-	-	86,850	86,850
Furlough Grant	-	-	-	-	-	-	-	-	-	-	-
RHI Energy Payments	-	-	-	317,887	-	317,887	244,019	-	-	317,887	244,019
Total from other activities, 2024	-	1,030,507	794,054	494,887	2,406,298	(3,785,560)	-	(1,379,262)	-	-	-
Total from other activities, 2023	89,915	243,380	786,287	1,173,693	2,293,275	(3,573,226)	(1,279,951)	-	-	-	-

Undertaken to support the community, other than the provision, construction, improvement and management of housing. The deficit is a result of both overheads and our commitment to fund areas like youth employability even when the grant funding declines. There is a specific action plan in place to tackle this deficit.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

7. Interest receivable and other income

	Group		Association	
	2024 £	2023 £	2024 £	2023 £
Interest receivable on deposits	1,287,012	526,449	1,203,458	428,154
Interest receivable from subsidiary loan	-	-	31,080	33,729
	<u>1,287,012</u>	<u>526,449</u>	<u>1,234,538</u>	<u>461,883</u>

8. Interest payable and similar charges

	Group		Association	
	2024 £	2023 £	2024 £	2023 £
On private loans	2,921,721	2,329,904	2,921,721	2,329,904
Defined benefit finance charge (note 31)	(122,000)	51,000	(122,000)	51,000
	<u>2,799,721</u>	<u>2,380,904</u>	<u>2,799,721</u>	<u>2,380,904</u>

9. Directors' Emoluments

The directors are defined as the members of the Board of Management, the Chief Executive and any other person reporting directly to the Chief Executive or the Board of Management. No emoluments were paid to any member of the Board of Management during the year. The Association considers key management personnel to be the Board of Management and the senior management team (the Executive Officers as per page 2) of the Association only.

	2024 £	2023 £
Emoluments of Chief Executive (excluding pension contributions)	<u>126,772</u>	<u>122,594</u>

Pension contributions in respect of the Chief Executive including past service deficit payments totalled £29,390 in the year. (2022/23 £27,791)

During the year a salary sacrifice of £14,695 (2022/23 £13,896) was made by the Chief Executive to the pension scheme. This is not included within emoluments but is included within the employers' pension contribution figure disclosed.

	2024 £	2023 £
Emoluments payable to highest paid director (excluding pension contributions)	<u>126,772</u>	<u>122,594</u>

The emoluments (excluding pension contributions and salary sacrifice) of the directors were in the following ranges:

	2024 No of Directors	2023 No of Directors
£80,001 to £85,000	-	2
£85,001 to £90,000	-	1
£90,001 to £95,000	1	-
£95,001 to £100,000	1	-
£125,001 to £130,000	1	1

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

9. Directors' Emoluments (continued)

	2024	2023
	£	£
Total emoluments (excluding pension contributions) paid to those earning more than £60,000 and key management	278,275	334,891
Pension contributions of directors earning more than £60,000 for future accrual	87,115	117,558
Pension contributions of directors earning more than £60,000 for past service deficit	-	-
Total expenses reimbursed to directors in so far as not chargeable to United Kingdom income tax	-	-

During the year a salary sacrifice of £36,210 (2022/23: £39,196) was made by key management personnel to the pension scheme. This is not included within emoluments but is included within the employers' pension contribution figure disclosed.

10. Employee Information

	2024	2023
	No	No
The full time equivalent number of persons employed during the year was:	211	212
Split as:		
Admin	39.5	49.5
Finance	4.5	4.5
Housing and Housing Support and Social Regeneration	116	124
Maintenance, Investment and Subsidiary teams	46	29
Development	5	5
	211	212
	2024	2023
	£	£
Staff costs (including Directors' Emoluments):		
Wages and salaries	6,963,901	6,886,662
Social security costs	666,113	674,985
Pension costs	818,435	752,347
Defined benefit pension (credit) (note 31)	(94,000)	(15,567)
	8,354,449	8,298,427

Included in wages and salaries is £158,892 (2023 £57,525) of agency staff costs.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

11. Operating Surplus

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Operating surplus is stated after charging:				
Depreciation (note 5)				
- social housing	5,597,258	5,155,139	5,597,258	5,155,139
- loss on disposed components	1,182,978	168,239	1,182,978	168,239
- other fixed assets	236,475	225,383	212,044	201,315
Auditor's remuneration (excluding VAT)				
- In their capacity as auditor – audit	35,695	34,579	15,625	15,625
- In their capacity as tax, VAT advisors	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12. Taxation

Group	2024	2023
	£	£
Current tax on profits for the year	25,743	10,189
Adjustments in respect of previous years	(16,654)	13,315
Deferred taxation (note 26)	(95)	-
	<u> </u>	<u> </u>
	<u>8,994</u>	<u>23,504</u>
	<u> </u>	<u> </u>
The tax charge relates to Queens Cross Factoring Limited		
Profit on ordinary activities before tax	101,711	53,079
Profit on ordinary activities multiplied by the standard rate of corporation tax of 23.5% (2022: 19%)	23,902	10,085
Effects of:		
Expenses not deductible	7,989	-
Depreciation of assets not qualifying for tax allowances	199	104
Deferred tax adjustment in respect of prior years	-	-
Adjustments to tax charge in respect of previous periods	(16,654)	13,315
Effect of change in corporation tax rate	(6,347)	-
Deferred tax movement	(95)	-
	<u> </u>	<u> </u>
	<u>8,994</u>	<u>23,504</u>
	<u> </u>	<u> </u>

Association

As the Association was granted charitable status from 11 April 2005, it is no longer subject to corporation tax on its charitable activities. No corporation tax was due in respect of the Association's non-charitable activities (2023: £nil).

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

**13. Tangible Fixed Assets – Housing Properties
Group**

	Housing Properties Held for Letting	Completed Shared Housing Ownership Properties	Properties Under Construction	2024 Total	2023 Total
	£	£	£	£	£
Cost					
As at 1 April 2023	191,723,957	1,207,650	21,413,884	214,345,491	203,339,672
Additions during year	-	-	20,135,165	20,135,165	9,328,215
Component accounting additions	4,011,106	-	3,581,340	7,592,446	2,049,610
Disposals – property	-	-	-	-	(203,767)
Disposals – components	(1,182,978)	-	(3,579,218)	(1,182,978)	(168,239)
Non-amortising Capital Grant for Component Costs	-	-	(3,579,218)	(3,579,218)	-
Transfers (Note 1)	3,596,297	-	(3,824,744)	(228,447)	-
Correction to previous year allocation	(263,511)	263,511	-	-	-
As at 31 March 2024	197,884,871	1,471,161	37,726,627	237,082,459	214,345,491
Depreciation					
As at 1 April 2023	69,374,934	1,203,628	-	70,578,562	65,463,424
Charge for year	5,579,515	17,743	-	5,597,258	5,354,919
Disposals – property	-	-	-	-	(106,735)
Disposals – components	(832,891)	-	-	(832,891)	(133,046)
Correction to previous year allocation	409,303	(409,303)	-	-	-
As at 31 March 2024	74,530,861	812,068	-	75,342,929	70,578,562
Net book value at 31 March 2024	125,354,010	659,093	37,726,627	161,739,530	
Net book value at 31 March 2023	122,349,023	4,022	21,413,884		143,766,929

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

13. Tangible Fixed Assets – Housing Properties (continued)

Note 1: Total cost of components capitalised for the year amounted to £7,592,446 (2023 £2,049,610) and includes £2,981,000 of expenditure funded by Sustrans grant and £594,045 funded by Glasgow City Council Common Repair and Affordable warmth grants. The balance is also shown net of owners contributions for work on the Westercommon maisonettes of £471,896.

The amount spent on maintenance of housing properties held for letting can be seen in Note 5.

Additions to Housing Properties during the year includes £nil capitalised interest (2022 - £nil) and £nil capitalised administration costs.

All housing properties are freehold.

Components with a cost of £1,182,978 (2023: £ 168,239) and accumulated depreciation of £832,891 (2023: £133,046) have been disposed of for £nil (2023: £nil) net proceeds.

In transferring amounts from Housing Properties Under Construction, a total of £228,447 (2023: Nil) has been written of to the statement of comprehensive income, relating to a project previously capitalised which is now not being completed going forward.

14. Intangible Fixed Assets - Group

Cost	£
As at 1 April 2023 and 31 March 2024	5,500
Amortisation and Impairment	
As at 1 April 2023	3,760
Amortisation charge for the year	435
As at 31 March 2024	4,195
Net book value at 31 March 2024	1,305
Net book value at 31 March 2023	1,740

15. Housing Stock – Group and Association

	Units in management	
	2024	2023
The number of units of accommodation in management was as follows:-		
General needs housing	3,844	3,838
Supported housing accommodation	511	511
Shared ownership accommodation	31	32
	4,386	4,381

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

16. Accommodation managed by others – Group and Association

	2024	2023
Women's Aid	17	17
Barnardos	6	7
Aspire	11	11
Key Housing	20	20
Glasgow Council TFF	48	49
Mears	2	2
NASS	4	4
P&D	1	1
Refugee Survival Trust	2	2
Richmond Fellowship	13	13
Scottish Autism	2	2
Simon Community Scotland	-	1
Kerr and Taggart	1	-
	<u>127</u>	<u>129</u>
	<u><u>127</u></u>	<u><u>129</u></u>

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

17. Tangible Fixed Assets – Other Tangible Assets

Group	Land and Buildings Community Services £	Leasehold Property £	Freehold & Leasehold Land & Buildings £	Furniture, Fittings & Equipment £	Commercial Investment Properties £	Computer Equipment £	2024 Total £	2023 Total £
Cost								
At start of year	3,117,534	1,528,033	9,155,085	1,233,148	4,344,000	-	19,377,800	18,975,096
Additions during year	-	281,223	168,000	88,961	-	-	538,184	577,198
Disposals	-	-	-	(116,194)	-	-	(116,194)	(248,494)
Revaluation	-	-	-	-	-	-	-	74,000
At end of year	3,117,534	1,809,256	9,323,085	1,205,915	4,344,000	-	19,799,790	19,377,800
Depreciation								
At start of year	-	673,721	-	695,515	-	-	1,369,236	1,392,332
Charge for year	-	72,370	-	164,105	-	-	236,475	225,398
Write off on disposal	-	-	-	(117,153)	-	-	(117,153)	(248,494)
At end of year	-	746,091	-	742,467	-	-	1,488,558	1,369,236
Net Book Value								
At 31 March 2024	3,117,534	1,063,165	9,323,085	463,448	4,344,000	-	18,311,232	-
At 31 March 2023	3,117,534	854,312	9,155,085	537,634	4,344,000	-	-	17,988,563

The Group's commercial investment properties were revalued on 14 June 2022 (by DM Hall Chartered Surveyors). The investment properties were valued on an open market basis by a firm of independent Chartered Surveyors. There was a £74k gain on revaluation for Queens Cross Workspace Ltd in the prior year.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements
For the year ended 31 March 2024

17. Tangible Fixed Assets – Other Tangible Assets (continued)

Association	Leasehold Property £	Furniture, Fittings & Equipment £	Commercial Investment Properties £	2024 Total £	2023 Total £
Cost					
At start of year	1,528,033	761,106	1,135,000	3,424,139	3,295,435
Additions during year	281,223	72,978	-	354,201	377,198
Disposals	-	(116,194)	-	(116,194)	(248,494)
Revaluation	-	-	-	-	-
At end of year	1,809,256	717,890	1,135,000	3,662,148	3,424,139
Depreciation					
At start of year	673,721	405,566	-	1,079,287	1,126,467
Charge for year	72,370	139,674	-	212,044	201,314
Write off on disposal	-	(116,194)	-	(116,194)	(248,494)
At end of year	746,091	429,046	-	1,175,137	1,079,287
Net book value at 31 March 2024	1,063,165	288,844	1,135,000	2,487,009	-
Net book value at 31 March 2023	854,312	355,540	1,135,000	-	2,344,852

The Association's commercial investment properties were revalued at 14 June 2022 (by DM Hall Chartered Surveyors).

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

18. Investments - Association

	2024 £	2023 £
Investment in subsidiary undertaking	1	1

Queens Cross Factoring Limited (company number SC278139) was incorporated on 7 January 2005 and began trading on 1 April 2005. Queens Cross Housing Association Limited acquired 1 ordinary £1 share in Queens Cross Factoring Limited, at par. This represents a 100% shareholding.

Details of transactions during the year with the above company can be found at note 33.

For the year ended 31 March 2024, Queens Cross Factoring Limited recorded a profit of £76,063 (2023: £46,228)

19. Debtors

	Group		Association	
	2024 £	2023 £	2024 £	2023 £
Amounts falling due within one year:				
Rental arrears	341,503	440,309	341,503	440,309
Less provision for bad debts	(338,283)	(338,823)	(338,823)	(338,823)
	<u>2,680</u>	<u>101,486</u>	<u>2,680</u>	<u>101,486</u>
Trade debtors	740,290	426,960	285,830	157,273
Other debtors and prepayments	265,159	468,820	178,243	160,917
Accrued income	3,253,947	-	2,551,887	44,293
Amounts owed by the subsidiary (less than one year)	-	-	1,116,293	79,129
Amounts owed by the subsidiary (more than one year)	-	-	441,160	507,160
	<u>4,262,076</u>	<u>997,266</u>	<u>4,576,093</u>	<u>1,050,258</u>
Debtors due less than one year	4,262,076	516,215	4,134,933	543,098
Debtors due more than one year	-	481,051	441,160	507,160
	<u>4,262,076</u>	<u>997,266</u>	<u>4,576,093</u>	<u>1,050,258</u>

20. Stock and work in progress

	Group		Association	
	2024 £	2023 £	2024 £	2023 £
Stock	5,114	5,437	-	-

21. Current asset investments

	Group		Association	
	2024 £	2023 £	2024 £	2023 £
Balances held in deposit accounts greater than 3 months	29,282,331	26,092,572	29,282,332	26,092,573

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements
For the year ended 31 March 2024

22. Cash and cash equivalents

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Balances held in current accounts	18,720,804	10,272,882	16,389,772	8,571,093

23. Creditors: amounts falling due within one year

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Bank loans repayable within one year	1,528,023	780,048	1,435,157	685,157
Trade creditors	642,088	455,862	319,962	-
SHG repayable on disposals	1,314,331	1,314,331	1,314,331	1,314,331
Other taxes and social security costs	171,288	164,899	169,384	152,346
Corporation tax	25,743	23,519	-	-
Other creditors	7,161,590	5,365,832	6,083,768	4,872,605
Deferred capital grants (note 25)	2,152,185	2,152,185	2,152,185	2,152,185
	12,995,248	10,256,676	11,474,787	9,176,624

24. Creditors: amounts falling due out with one year

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Borrowings	68,736,028	55,477,023	68,524,763	55,023,409
Deferred capital grant (note 25)	87,424,719	69,523,708	87,424,719	69,523,708
Other creditors	278,109	278,109	-	-
	156,438,856	125,278,840	155,949,482	124,547,117
Loan analysis as follows:				
Due between one and two years	1,435,157	685,157	1,435,157	685,157
Due between two and five years	20,309,868	2,533,599	20,007,403	2,079,985
Due in five years or more	46,991,003	52,258,267	47,081,728	52,258,267
	68,736,028	55,477,023	68,524,288	55,023,409

Loans are secured by specific charges on the Association's properties and are repayable at rates of interest between Libor + 1.75% and 6% in instalments over the next 30 years.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

25. Deferred capital grants – Group and Association

	2024	2023
	£	£
Government Capital Grants	71,675,893	69,297,813
At 1 April		
Grants received in year	23,714,893	4,718,848
Released to income in year	(2,180,025)	(2,153,475)
Release for non amortising Grant for Component costs (note 13)	(3,579,218)	-
Grants repaid in the year	(54,639)	(187,293)
	<u>89,576,904</u>	<u>71,675,893</u>
At 31 March 2024	<u>89,576,904</u>	<u>71,675,893</u>
Due in less than one year	2,152,185	2,152,185
Due between one and two years	2,152,185	2,148,985
Due between two and five years	6,456,555	6,238,424
Due in five years or more	78,815,979	61,136,299
	<u>89,576,904</u>	<u>71,675,893</u>
At 31 March 2024	<u>89,576,904</u>	<u>71,675,893</u>

26. Financial Instruments

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Cash and cash equivalents	18,720,804	10,272,882	16,389,772	8,571,093
Investments – deposit accounts	29,282,331	26,092,572	29,282,332	26,092,573
Financial assets measured at amortised cost	1,008,129	997,266	180,923	463,970
	<u>49,011,264</u>	<u>37,362,720</u>	<u>45,853,027</u>	<u>35,127,636</u>
Financial Liabilities				
Financial liabilities measured at amortised cost	(79,660,169)	(63,671,205)	(77,358,019)	(61,895,502)
	<u>(79,660,169)</u>	<u>(63,671,205)</u>	<u>(77,358,019)</u>	<u>(61,895,502)</u>

Financial assets measured at amortised cost comprise cash and cash equivalents, current asset investments, rental arrears, trade debtors, other debtors, accrued income and amounts owed by the subsidiary.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, SHG repayable on disposals, other creditors and the SHAPS pension deficit.

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2024****27. Deferred tax – Group**

	2024	2023
	£	£
Accelerated capital allowances	325	420
Capital gain on investment properties	165,950	165,950
	<u>166,275</u>	<u>166,370</u>

This relates to Queens Cross Factoring Limited (refer to note 12). There is no deferred tax provision in respect of the Association (2023: £nil).

28. Share Capital – Group and Association

Shares of £1 each fully paid and issued	2024	2023
	£	£
At beginning of year	126	121
Issued during the year	6	11
Shares forfeited in year	(6)	(6)
	<u>126</u>	<u>126</u>

There are no rights to receive dividends attached to the shares, or any ranking in the event of a winding up.

29. Reserves**Revenue reserve**

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

Other reserves

The other reserves includes the gain on the revaluation of investment properties less the deferred tax provision in respect of the revaluation gain.

30. Capital Commitments – Group and Association

	2024	2023
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	<u>18,355,941</u>	<u>35,102,790</u>
This is to be funded by:		
SHG	2,653,947	22,856,588
Private Finance	13,001,994	11,946,202
Sales	-	-
Reserves	2,700,000	300,000
	<u>11,989,000</u>	<u>11,336,000</u>
Capital expenditure that has been approved but not contracted for	<u>11,989,000</u>	<u>11,336,000</u>

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

31. Pensions

Scottish Housing Association Pension Scheme (SHAPS)

The company participates in the Scottish Housing Associations' Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the 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 2021. This valuation revealed a deficit of £27m. A Recovery Plan was put in place to eliminate the deficit which ran to 30 September 2022.

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. For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 29 February 2024 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

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

	31 March 2024	31 March 2023
	(£000s)	(£000s)
Fair value of plan assets	18,168	18,779
Present value of defined benefit obligation	20,726	19,851
(Deficit) in plan	(2,558)	(1,072)
Unrecognised surplus	-	-
Defined benefit (liability) to be recognised	(2,558)	(1,072)
Deferred tax	-	-
Net defined benefit (liability) to be recognised	(2,558)	(1,072)

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	Period ended 31 March 2024 (£000s)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	<u>-</u>

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

	Period ended 31 March 2024 (£000s)
Fair value of plan assets at start of period	18,779
Interest income	913
Experience on plan assets (excluding amounts included in interest income) – gain (loss)	(1,366)
Contributions by the employer	467
Member contributions	26
Benefits paid and expenses	(651)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	<u>18,168</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was (£453,000).

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2024 (£000s)
Defined benefit obligation at start of period	19,851
Current service cost	296
Expenses	29
Interest expense	961
Member contributions	26
Actuarial losses (gains) due to scheme experience	396
Actuarial losses (gains) due to changes in demographic assumptions	(120)
Actuarial losses (gains) due to changes in financial assumptions	(62)
Benefits paid and expenses	(651)
Defined benefit obligation at end of period	<u>20,726</u>

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCl)

	Period from 31 March 2023 to 31 March 2024 (£000s)
Current service cost	296
Expenses	29
Net interest expense	48
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCl)	<u>373</u>

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

	Period ended 31 March 2024 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) – (loss)	(1,366)
Experience gains and losses arising on the plan liabilities – (loss)	(396)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	120
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	62
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – (loss)	(1,580)
Total amount recognised in other comprehensive income – gain (loss)	<u>(1,580)</u>

Assets	31 March 2024 (£000s)	31 March 2023 (£000s)
Global Equity	2,090	496
Absolute Return	816	256
Distressed Opportunities	669	578
Credit Relative Value	640	716
Alternative Risk Premia	654	108
Emerging Markets Debt	318	145
Risk Sharing	1,090	1,369
Insurance-Linked Securities	113	523
Property	769	782
Infrastructure	1,740	2,023
Private Debt	731	839
Opportunistic Illiquid Credit	723	830
High Yield	3	95
Opportunistic Credit	-	1
Cash	471	79
Corporate Bond Fund	-	24
Liquid Credit	-	1
Long Lease Property	135	629
Secured Income	606	1,256
Liability Driven Investment	6,572	7,951
Currency Hedging	(8)	36
Net Current Assets	<u>22</u>	<u>42</u>
Total assets	<u>18,168</u>	<u>18,779</u>

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

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

KEY ASSUMPTIONS

	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:

	Life expectancy at age 65 (Years)
Male retiring in 2024	20.2
Female retiring in 2024	22.7
Male retiring in 2044	21.4
Female retiring in 2044	24.1

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

31. Pensions (continued)

Strathclyde Pension Fund

There are 12 employees who are members of 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.

The Association has opted to recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. To that extent the in year FRS102 gain on this scheme has not been recognised within the actuarial movement.

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

Assumptions as at	31 March 2024	31 March 2023
Price increases	2.80%	2.95%
Salary increases	3.50%	3.65%
Discount rate	4.80%	4.75%

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% 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. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below:

	Males	Females
Current Pensioners	20.0 years	20.5 years
Future Pensioners*	18.5 years	23.0 years

* Figures assume members aged 45 as at the last formal valuation date.

Scheme assets

Major categories of plan assets as a percentage of total plan assets	31 March 2024	31 March 2023
Equities	58%	60%
Bonds	27%	28%
Property	10%	10%
Cash	5%	2%

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

31. Pensions (continued)

Reconciliation of defined benefit obligation

	2024	2023
	£000s	£000s
Opening Defined Benefit Obligation	5,440	8,127
Current Service Cost	61	158
Interest Cost	256	220
Plan participants contributions	19	22
Actuarial losses/(gains)	382	(2,949,)
Past Service Costs	-	-
Unfunded Benefits Paid	(9)	(8,)
Benefits Paid	(185)	(130)
	<hr/>	<hr/>
Closing Defined Benefit Obligation	5,964	5,440
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of fair value of employer assets

	2024	2023
	£000s	£000s
Opening Fair Value of Employer Assets	9,039	9,355
Interest income on plan assets	426	251
Plan participants contributions	19	22
Contributions by the employer	4	3
Actuarial gains/(losses)	433	(462)
Benefits Paid	(185)	(130)
	<hr/>	<hr/>
Closing Fair Value of Employer Assets	9,736	9,039
	<hr/> <hr/>	<hr/> <hr/>
Net pension asset	3,772	3,599
Restriction of pension asset	(3,339)	(2,487)
	<hr/>	<hr/>
Pension asset recognised in the balance sheet	433	1,112
	<hr/> <hr/>	<hr/> <hr/>

The actuarial report for the Strathclyde Pension scheme indicates a surplus within the scheme however the Association is limited by the Asset Ceiling in recognising its asset. This has resulted in the asset being restricted to the level noted above.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

31. Pensions (continued)

Analysis of amounts included in the Statement of Comprehensive Income (SOCl)

	2024 £000s	2023 £000s
Expected return on pension scheme assets	(426)	(251)
Interest on pension scheme liabilities	256	220
	<u>(170)</u>	<u>(31)</u>

	2024 £000s	2023 £000s
Current service cost	61	158
Past service cost	-	-
Losses on curtailments	-	-
Contributions in respect of unfunded benefits	(9)	(8)
Contribution by employers	(4)	(3)
	<u>48</u>	<u>147</u>

The expected employer's contribution for the year to 31 March 2024 will be £20,000

Analysis of amount recognised in Other Comprehensive Income (OCI)

	2024 £000s	2023 £000s
Actual return less expected return on scheme assets	433	(462)
Changes in assumptions underlying the present value of scheme liabilities	(382)	2,949
	<u>51</u>	<u>2,487</u>

Change in assumption at 31 March 2024

	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	109
1 year increase in life expectancy	4%	239
0.1% increase in the Salary Increase Rate	0%	12
0.1% increase in the Pension Increase Rate	2%	99

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2024**

32. Revenue Commitments – Group and Association

The Group and Association has total commitments under operating leases as follows:

	2024		2023	
	Land & buildings	Other leases	Land & buildings	Other leases
	£	£	£	£
Within one year	243,600	-	243,600	7,258
Between two and five years	487,200	-	730,800	-
More than 5 years	-	-	-	-
	<u>730,800</u>	<u>-</u>	<u>974,400</u>	<u>7,258</u>

33. Related party transactions

Queens Cross Factoring Limited

Queens Cross Factoring Limited is a subsidiary undertaking of Queens Cross Housing Association Limited.

Queens Cross Housing Association Limited has a service level agreement in place with Queens Cross Factoring Limited. During the year, management charges in respect of this agreement were charged to Queens Cross Factoring Limited of £387,520 (2023: £382,524).

Gift Aid of £20,000 (2023: £20,000) was made by Queens Cross Factoring Limited during the year. This has still to be paid over and is thus included in the amounts owed by Queens Cross Factoring Limited at the year end.

The non-loan related balance due from Queens Cross Factoring at the year end is £954,715 (2023: £55,026).

During 2012/13 Queens Cross Housing Association Limited provided a loan of £900,000 to Queens Cross Factoring Limited to purchase 12 investment properties. The balance owed at the start of the year was £537,160. Interest of £33,730 (2023: £36,730) was accrued in respect of this loan during the year. There is not a set repayment schedule in place but the loan is repayable over 20 years. £50,000 (2023: £50,000) was repaid in the year leaving a balance at 31 March 2024 of £487,160 (2023: £537,160). £441,160 (2023: £497,160) of this balance is due after more than one year with £46,000 (2023: £40,000) expected to be paid in 2024/25 and thus is included in amounts due within one year.

Queens Cross Workspace Limited

Queens Cross Workspace Limited Queens Cross Housing Association Limited has a service level agreement in place with Queens Cross Workspace Limited. During the year, management charges in respect of this agreement were charged to Queens Cross Workspace Limited of £195,734 (2023: £188,002). As at 31 March 2024 £113,209 was due to the Association from Queens Cross Workspace Limited (2023: £60,327)

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2024

34. Board members

The Association has Board members who are also tenants. The total rent received in the year relating to tenant Board members is £22,541 (2023: £26,146). The total rent arrears relating to tenant Board members included within debtors at the year-end is £nil (2023: £394).

One director of Queens Cross Factoring Limited is a factored owner. The cumulative balance at 31 March 2024 in respect of this account was payments in advance of £75 (2023: £75).

35. Contingent Liability

The Pension 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. However, one potential outcome is that scheme members, of which the Association is one, may see their share of scheme liabilities increase. The Pension Trust have not made their legal advice available and the likelihood of success is currently unknown. For multi-employer schemes, the Trustee is unable to provide the estimated potential additional liability at an individual employer level as this is as yet unknown. Furthermore due to the complexities in relation to back payments, transfers, deaths and orphan liabilities, etc., it may not be possible to ascertain an accurate split by individual employers until after the court ruling, when the scope of any rectification work, should this be required, becomes known. As a result, no provision has therefore been included in the financial statements.

36. Legislative Provisions

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and its subsidiary Queens Cross Factoring Limited is incorporated under the Companies Act 2006.

