

**Rutherglen and Cambuslang Housing Association Limited**

**Report and Financial Statements**

**For the year ended 31 March 2024**



**Registered Housing Association No. HAC176**

**FCA Reference No. 2029R(S)**

**Scottish Charity No. SC041992**

**Contents**

	<b>Page</b>
Members of the Committee of Management, Executives and Advisers	2
Report of the Committee of Management	3 - 12
Report by the Auditors on Corporate Governance Matters	13
Report of the Auditors	14 - 17
Statement of Comprehensive Income	18
Statement of Financial Position	19
Statement of Cash Flows	20
Statement of Changes in Equity	21
Notes to the Financial Statements	22 - 39

**Members of the Committee of Management, Executives and Advisers for the Year Ended 31 March 2024**

**Committee of Management**

Frances Cunningham	Chairperson	
Robert McLeary	Vice-Chairperson and Secretary	
Karen McCartney		
Mary Ellen McKeown		
Gary Gow		
Natalie Kirk		
Karen Kirk		
James Ross		
Heather Ross		
Eveline Thompson	Resigned 19 September 2023	
Edward Harkins	Resigned 9 January 2024	

**Executive Officers and Key Management Personnel**

Elaine Lister	Director	
James Kerr	Housing Services Manager	Appointed 1 May 2024
Ronald Cunningham	Housing Services Manager	Resigned 19 April 2024
Mandy Hamilton	Maintenance Manager	
Wilma McInerney	Corporate Services Manager	

**Registered Office**

Aspire Business Centre  
16 Farmeloan Road  
Rutherglen  
South Lanarkshire  
G73 1DL

**External Auditors**

Chiene + Tait LLP  
(trading as CT)  
Chartered Accountants &  
Statutory Auditor  
61 Dublin Street  
Edinburgh  
EH3 6NL

**Internal Auditors**

Alexander Sloan  
Accountants and  
Business Advisers  
180 St Vincent Street  
Glasgow  
G2 5SG

**Finance Agents**

FMD Financial Services Ltd  
3 Clairmont Gardens  
Glasgow  
G3 7LW

**Bankers**

Bank of Scotland  
82 Main Street  
Rutherglen  
South Lanarkshire  
G73 2HZ

**Solicitors**

TC Young  
7 West George Street  
Glasgow  
G2 1BA

## **Report of the Committee of Management for the Year Ended 31 March 2024**

The Committee of Management presents its report and the Financial Statements for the year ended 31 March 2024.

### **Legal Status**

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.2029R(S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC041992.

### **Principal Activities**

The Association's principal activity is the provision, management and maintenance of good quality, affordable rented housing. However, it also seeks to be 'more than a landlord' and, over the past year, has considered ways to develop positive and meaningful engagement with its services users and the communities it serves.

This is reflected in the Association's vision "To continue to provide good quality housing, promote innovation and encourage community involvement".

The Association has set its strategic objectives as:

- Proactively seek out and maximise opportunities to enhance the provision of high-quality homes and neighbourhoods;
- Expand our presence and activities to grow our community regeneration and engagement to meet local needs and aspirations;
- Value and develop all our people by celebrating our achievements and affective succession planning; and
- Continue to deliver robust financial and governance outcomes.

The permitted activities and powers of the Association will include anything which is necessary or expedient to help the Association achieve these objects.

## **Review of Business and Future Developments**

### **Context**

The Association is a community-based housing association in the Rutherglen and Cambuslang areas of South Lanarkshire. As at 31 March 2024, the Association owns 877 properties, part owns 8 shared ownership properties and provides factoring services for a further 937 properties. The Association also owns 35 lockups, 1 shop and the Aspire Business Centre. At 31 March 2024, the Association has a Committee of Management made up of 9 elected members. Of the 9 members there are 6 tenants, 1 service user and 2 others with an interest in the Association.

Details of our Committee and our staff team are kept updated on our public website:

<https://www.randcha.co.uk/page/our-committee>  
<https://www.randcha.co.uk/page/our-staff>

## **Report of the Committee of Management for the Year Ended 31 March 2024 (Continued)**

Like all businesses the Association has been looking at ways it can deliver cost savings and Value for Money and has carried out a number of reviews of its systems and processes as well as the staff structure to ensure they are efficient and effective.

### **Treasury Management**

The Committee of Management follows a prudent approach to the financial affairs of the Association and retains close control of these. Investments are regularly reviewed to ensure that the Association achieves the best return in a climate of low interest rates, whilst spreading the risk of investments across institutions. The Committee of Management also keeps the Association's loan portfolio under review and monitors the impact of financial decisions on the loan covenant conditions that the Association is required to meet. The Association has not taken on any new debt during the year and has no plans for further borrowing at this time.

The Association, as a matter of policy, does not enter into transactions of a speculative nature. Surplus funds are managed carefully using long-established banks or building societies. The Treasury Management position of the Association is reviewed by the Committee of Management every quarter and the Treasury Management Policy is reviewed by the Committee of Management every three years.

### **Risk Management**

The Association has implemented a formal, robust and proactive risk management process which is being further developed to reflect the Association's Business plan and support the achievement of its business objectives.

A key part of this process is the risk register that identifies the key risks, the real level of the risk and the control measures the Association has in place to mitigate or eliminate the impact of the risk. As part of the risk management process, the register was reviewed in April 2024 by the Committee of Management and the Senior Staff Team to ensure both parties are fully aware of the risks the Association faces and that these are being effectively managed.

### **Risks and Uncertainties**

The Association recognises that it operates in a sector that is heavily influenced and impacted by the wider social, economic and political environment. It is therefore not immune to the current economic uncertainty and potentially faces a number of challenges such as:

- The cost-of-living crisis;
- Rises in interest rates;
- The impact of recent welfare reforms and possible further changes to the system;
- Limited access to grants and subsidies;
- Lower grants being awarded;
- Reduced number of lenders willing to lend to the sector;
- Higher loan margins and setup costs;
- High increases into insurance premiums
- Increased SHR and lenders monitoring;
- More onerous regulatory requirements; and
- More onerous and costly building standards.

**Report of the Committee of Management for the Year Ended 31 March 2024 (Continued)**

Our top 6 risk areas, post mitigation measures, are as detailed in the table below:

<b>Risk No.</b>	<b>Risk Area Identified</b>	<b>Mitigation Measures</b>
1	Failure to comply with landlord health and safety requirements	Compliance register Audit underway Refreshing asset management strategy Revising compliance policy and procedures
2	Lack of robust stock condition information to inform business planning	Stock Condition Survey being carried out on minimum of 60% of the stock July 2024 Programme of Stock Condition Surveys Review of Planned Maintenance programme
3	Failure to comply with relevant legislation/regulatory standards/guidance	Affiliation with GWSF & SFHA who provide guidance on compliance with legislation/regulatory standards Regular legal updates Programme of Internal Audits Calendar of statutory & regulatory returns Committee of Management reports and training on changes in key legislation & regulatory requirements Review of policies & procedures to reflect changes in legislation/ regulatory requirements Legal advice provision Staff & Committee attendance at seminars, conferences & training events Updates register of compliance
4	Increased engagement with Scottish Housing Regulator/Failure to comply with Regulatory Standards	Ongoing review against Regulatory Standards Submission of Annual Assurance Statement Evidence bank for Annual Assurance Statement Annual Business Planning Reviews Programme of Internal Audits Submission of Annual return on the Charter Notifiable Events Policy Severance & Settlement Policy Updated Governance Policies reflecting good practice, regulatory requirements etc Code of Conduct for Committee Members Programme of external audits
5	Failure to recruit new members	Annual skills assessments Succession & Recruitment Policy & Plan Monitor attendance at Committee meetings Proactive recruitment exercises Ability to co-opt

**Report of the Committee of Management for the Year Ended 31 March 2024 (Continued)**

<i>Risk No.</i>	<i>Risk Area Identified</i>	<i>Mitigation Measures</i>
6	Rents become unaffordable	Measurement of rents against SFHA's Affordability Criteria Regular surveys of tenants re: rent levels, value for money, difficulties Comparison of average rents Robust reports to Committee of Management to allow informed decisions Annual consultation on proposed rent increase Review of financial projections based on reasonable assumptions Five Year Financial Plans submitted annually to SHR Provision of Welfare Advice service and referrals to other support agencies Focus on tenancy sustainment

Meeting these and other challenges inherently entails risks for the Association and its ability to achieve its strategic vision and aims. Good, robust management of these risks is therefore an essential element of good governance and is an integral part of the Association's strategic and operational planning processes.

**Financial Review**

The Association needs to have reserves to ensure that the organisation can function into the future and meet its future liabilities, including the repair, maintenance, and replacement investment needs of its properties. In the year to 31 March 2024, the Association made a surplus of £315,465 (2023: £233,458). The Association reports an operating margin of 18.7% (2023: 16.5%). The main driver of the difference from the previous year was higher rental income coupled with lower expenditure on staff costs as well as cyclical, planned and void maintenance costs related to the Association's property stock. Any surpluses that the Association makes are set aside within reserves for future business and works.

As at 31 March 2024, the Association has cash to the value of £2,466,302 and has loan debt at a value of £8,048,866 having paid £707,870 off its loan debt during the year. The bank base rate has increased substantially over the year, however the Association has a mix of variable and fixed rate loans which has assisted with mitigating the financial impact of this.

As at 31 March 2024, the Association has a net asset value position of £20,884,701 (this is the assumed net worth of the Association and is not a cash item).

**Report of the Committee of Management for the Year Ended 31 March 2024 (Continued)**

**Performance**

Despite the challenges in the year, the Association continues to be a well performing organisation. At the end of March 2024:

- 29 homes had been let to households in housing need;
- The average length of time taken to complete emergency repairs was 1.97 hours and 4.93 days for non-emergency repairs;
- All gas services had been carried out by the first anniversary;
- 100% of complaints had been resolved in full;
- The time taken to re-let properties had been reduced to 7.41 days with 0.06% of rental income being lost due to properties being empty;
- The gross rent arrears as a percentage of the annual rental income was 1.9%;
- 93.62% of anti-social behaviour cases had successfully been resolved; and
- 92.9% of the Association stock complied with the SHQS.

At the start of 2024 the Association carried out a comprehensive Tenants Satisfaction Survey and, whilst like many RSLs noted a slight decrease in the levels of satisfaction reported in some areas, the percentage of tenants satisfied with the key services provided remains high.

Measure (Satisfied/Very Satisfied)	%
Overall service provided by the Association	90.6%
The Association keeping them informed about services and decisions	97.9%
The opportunities given to them to participate in the Association's decision-making processes	96.7%
The quality of their home	87.3%
The repairs and maintenance service	90.3%
Their rent representing good value for money	81.7%
The factoring service (owners)	71.7%

**Staff Structure**

Ongoing review of the staff structure and job descriptions remains a focus for the Committee of Management and Senior Staff team to ensure that the Association remains best prepared to:

- Meet any future challenges;
- Achieve its strategic objectives;
- Provide a modern, effective and efficient service;
- Build on its reputation as a dynamic, vibrant and innovative organization; and
- Deliver Value for Money.

**Future Plans and Priorities**

Business Plan

The Business Plan has been comprehensively reviewed and covers the Association's plans for 2024/2025. The plan will be further developed and updated once the results of the stock condition survey have been considered and the Association's planned maintenance programme reviewed.



## **Report of the Committee of Management for the Year Ended 31 March 2024 (Continued)**

### Provision of New Housing

The Association is committed to providing more high quality, affordable housing to meet the increasing demand. Unfortunately, the Association took the decision to withdraw from a project to build 45 new flats and houses as, with the current financial and economic challenges including rising costs, limited government funding and uncertainty around interest rates, it represented too high a risk for the Association's long-term financial security.

However, the Association still has the ambition to develop new affordable housing and remains open to exploring any other opportunities for further development and/or acquisition although it will continue to take an extremely cautious and prudent approach to developing new homes at this time.

### Internal Audit Services

After a fully compliant procurement exercise carried out jointly with another Association, Wbg (formerly Wylie and Bisset Ltd) was appointed as the Association's Internal Auditor for the period 2024/2025 – 2026/2027.

### Owners Satisfaction Survey

A survey of the Association's factored owners was carried out at the start of the year to support and influence a full review of the factoring service over the next year.

### Tenant & Resident Health & Safety

The Association sees the safety of tenants and resident as a priority and, in order to give tenants, residents, Committee of Management and other stakeholders the assurance that it is meeting, and where possible, exceeding the legal and regulatory requirements, started a comprehensive review of its compliance on the key activities including Gas, Electrical, Legionella, Damp & Mould, Lifts and Fire Safety.

As part of that review new processes and systems were put in place to support ongoing compliance and validation.

### Staff Succession

The staff team is recognised as being one of the Association's greatest assets but accepts that an individual's professional and personal plans, circumstances and priorities may mean that they move on from the organisation. Ensuring service continuity requires, as far as possible, planning for staff leaving or retiring.

### Value for Money

Along with ensuring effective management of the Association's finances, the Committee of Management is committed to ensuring that value for money remains a top priority for the Association.

A Value for Money Policy and statement has been developed to demonstrate the Association's commitment to delivering cost effective, efficient services to all of our customers.

## Report of the Committee of Management for the Year Ended 31 March 2024 (Continued)

### Rents

The collection of rental income and supporting tenants to make rent payments remain core activities for the Association, not just to ensure the Association has the funds to continue to provide services but also to support tenants manage their accounts and maintain their tenancy successfully.

Despite the challenges, including the cost of living crisis and the UK Government's Welfare Reforms, the Association continues to perform well in both rent collection and the level of arrears when compared against both its peer group and the Scottish average.

However, the Association very aware of the risk of rent becoming unaffordable in the future. Whilst the Association's rent for its smaller properties are amongst the lowest when compared to the peer group and Scottish average, those for the larger properties are considerably higher. The Association will therefore be undertaking a rent harmonisation exercise and review of the rent setting process during the year to ensure rents remain affordable and favourably comparable.

### **Tenant Engagement**

Tenant involvement is crucial to the success of the Association and we are very grateful to our active residents for all the work they do with us.

We are committed to seeking new and innovative ways to engage with our residents and communities and to promote and encourage meaningful participation.

### **Donations and Wider Action**

During the year the Association made charitable donations of £1,350 and spent £10,382 on tenant participation including newsletters, competitions and events.

### **Governance**

The Committee of Management understands that good governance is critical in ensuring the Association is a well performing organisation, is protecting its long-term viability and is providing the highest standard of service to its customers.

The Association is extremely fortunate to have a dedicated Committee of Management that has a wealth of experience in managing the Association by bringing a wide variety of skills, experience and knowledge that add to the organisation's strength and success.

In recognition of the regulatory requirements regarding the continuing effectiveness of the Committee of Management members, the Association carries out an annual appraisal of each member's skills and develops a training plan for the Committee members individually and collectively to ensure the Committee remains skilled and knowledgeable.

The need to bring new ideas and skills to the Committee is also recognised and the Association recently undertook a comprehensive recruitment exercise to attract new members onto the Committee.

Following a review of the self-assessment exercise by the Committee of Management, the Association submitted its second Annual Assurance Plan that showed that it was compliant with the Regulatory Standards.

The Association continues to implement a programme of internal audits to provide the Committee of Management with the assurance that its operational policy and processes are effective.

## **Report of the Committee of Management for the Year Ended 31 March 2024 (Continued)**

### **Assurance**

As part of the process of preparing its Annual assurance Statement for the Scottish Housing Regulator, the Association has carried out an external audit of its processes and reporting systems. This included developing a detailed Evidence Bank, Action Plan for improving Assurance and a programme for ongoing reviews to ensure the Committee of Management received the level of assurance required.

### **Notifiable Events**

The Association made two Notifiable Events Submissions in the year to advise of the retirement of the incumbent Chair and the withdrawal of the Association from the project to develop new housing. Both Notifiable Events were disclosed by the Scottish Housing Regulator.

### **Committee of Management and Executive Officers**

The Association is controlled by a Committee of Management. The members of the Committee of Management and the Executive Officers are listed on page 2.

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

The members of the Committee of Management are also Trustees of the Charity. Members of the Committee of Management are appointed by the members at the Association's Annual General Meeting or apply to fill casual vacancies in the year or take up co-optee places. The Committee of Management can be no fewer than 7 members and no more than 15, with no more than one third being co-optees.

Details of our current Committee are kept updated on our website at <https://www.randcha.co.uk/page/our-committee>

### **Statement of Committee of Management's Responsibilities**

The Co-operative and Community Benefit Act 2014 require the Committee of Management 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 that period. In preparing those Financial Statements, the Committee of Management is required to:

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

## **Report of the Committee of Management for the Year Ended 31 March 2024 (Continued)**

The Committee of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to: ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the SHR Determination of Accounting Requirements – Statutory Guidance Feb 2019. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

The Committee of Management must, in determining how amounts are presented within items in the Statement of Comprehensive Income (income and expenditure account) and Statement of Financial Position (balance sheet), have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

### **Disclosure of Information to the Auditor**

In so far as the Committee of Management are aware, at the time this report is approved:

- There is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's auditors are unaware, and
- The Committee of Management have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

### **Statement on Internal Financial Control**

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

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

It is the Committee 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 misstatement or loss. Key elements of the Association's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Committee of Management to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- quarterly financial management reports are prepared promptly, providing relevant, reliable, and up to date financial and other information, with significant variances from budget being investigated as appropriate;

**Report of the Committee of Management for the Year Ended 31 March 2024 (Continued)**

- regulatory returns are prepared, authorised, and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Committee of Management;
- the Committee of Management receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken; and
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Committee of Management has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2024. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

**Auditors**

CT were appointed in 2023 with the intention of undertaking audits for years ending 31 March 2023, 2024 and 2025. As such, subject to satisfactory audit work, a resolution to re-appoint the auditors CT will be proposed at the Annual General Meeting.

**By order of the Committee of Management**

  
**Frances Cunningham**

**Chairperson**

**Date:** 13 August 2024

**Report by the Auditors to the Members of Rutherglen and Cambuslang Housing Association Limited on Corporate Governance Matters for the Year Ended 31 March 2024**

**CT:**

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 11 and 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 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

**Opinion**

In our opinion the Statement on Internal Financial Controls on pages 11 and 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 our enquiry of certain members of the Committee of Management and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Committee 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.

CT

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

**Independent Auditor's Report to the Members of Rutherglen and Cambuslang Housing Association Limited for the Year Ended 31 March 2024**



**Opinion**

We have audited the financial statements of Rutherglen and Cambuslang Housing Association Limited (the 'Association') for the year ended 31 March 2024, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cashflows, the Statement of Changes in Equity, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Independent Auditor's Report to the Members of Rutherglen and Cambuslang Housing Association Limited for the Year Ended 31 March 2024 (Continued)**

**CT:**

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Committee of Management are responsible for the other information. 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.

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

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

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

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

**Responsibilities of the Committee of Management**

As explained more fully in the Committee of Management's responsibilities statement, the Committee 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 Committee 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 Committee 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 Committee of Management either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.



**Independent Auditor's Report to the Members of Rutherglen and Cambuslang Housing Association Limited for the Year Ended 31 March 2024 (Continued)**

**CT:**

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

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

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

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

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

**Independent Auditor's Report to the Members of Rutherglen and Cambuslang Housing Association Limited for the Year Ended 31 March 2024 (Continued)**

**CT:**

As a result of these procedures, we consider that the most significant laws and regulations that have a direct impact on the financial statements were, but not limited to, FRS 102, Housing SORP 2018, the Scottish Housing Regulator's Determination of Accounting Requirements 2024, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland Act) 2010. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures against the requirements of the relevant financial reporting standards.

We also performed audit procedures to inquire of management, and those charged with governance whether the Association is in compliance with these laws and regulations, inspected correspondence with regulatory authorities including mandatory submissions to the Regulator, reviewed minutes of meetings of the Committee of Management and relevant sub-committees, and reviewed available online information.

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

**Use of our report**

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

CT

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

**Statement of Comprehensive Income for the Year Ended 31 March 2024**

	Notes	2024		2023	
		£	£	£	£
<b>REVENUE</b>	2		4,700,232		4,484,362
Operating Costs	2		<u>(3,820,995)</u>		<u>(3,744,407)</u>
<b>OPERATING SURPLUS</b>			879,236		739,955
Interest Receivable and Other Income	7	50,744		26,327	
Interest Payable and Similar Charges	8	(369,515)		(265,986)	
Other Finance Income / (Charges)	11	(9,000)		15,527	
Gain / (Loss) on Disposal of Property, Plant and Equipment	12 (b)	-		(19,364)	
			<u>(327,772)</u>		<u>(243,497)</u>
<b>SURPLUS FOR THE YEAR</b>	9		<b>551,465</b>		<b>496,458</b>
<b>Other comprehensive income</b>					
Actuarial (Losses)/gains on defined benefit Pension Plan	27		(236,000)		(263,000)
<b>TOTAL COMPREHENSIVE INCOME</b>			<b>315,465</b>		<b>233,458</b>

The Financial Statements were approved by the Committee of Management, authorised for issue and signed on its behalf on 13 August 2024 by:

Name:

Signature:

Committee Member

Committee Member

Secretary

The notes on pages 22 to 39 form part of these Financial Statements.

Statement of Financial Position as at 31 March 2024

	Notes	2024		2023	
		£	£	£	£
<b>NON-CURRENT ASSETS</b>					
Housing Properties - Depreciated Cost	12 (a)		29,206,510		30,001,703
Other Non-current Assets	12 (b)		<u>1,354,518</u>		<u>1,366,633</u>
			30,561,027		31,368,337
<b>INVESTMENTS</b>					
Investment in Subsidiary	13		100		100
<b>CURRENT ASSETS</b>					
Receivables	16	718,718		627,669	
Cash at bank and in hand		<u>2,466,302</u>		<u>2,097,980</u>	
		3,185,020		2,725,650	
<b>CREDITORS: Amounts falling due within one year</b>					
	17	<u>(1,721,494)</u>		<u>(1,814,321)</u>	
<b>NET CURRENT ASSETS</b>					
			<u>1,463,527</u>		<u>911,329</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			32,024,654		32,279,765
<b>CREDITORS: Amounts falling due after more than one year</b>					
	18		(7,330,506)		(8,056,550)
<b>PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Scottish Housing Association Pension Scheme	27		(431,000)		(186,000)
<b>DEFERRED INCOME</b>					
Social Housing Grants	20		<u>(3,378,447)</u>		<u>(3,467,883)</u>
<b>NET ASSETS</b>					
			<u>20,884,701</u>		<u>20,569,332</u>
<b>EQUITY</b>					
Share Capital	21		61		157
Revenue Reserves			<u>20,884,640</u>		<u>20,569,175</u>
			<u>20,884,701</u>		<u>20,569,332</u>

The Financial Statements were approved by the Committee of Management, authorised for issue and signed on its behalf on 13 August 2024 by:

Name:

Signature:

Committee Member

Committee Member

Secretary

The notes on pages 22 to 39 form part of these Financial Statements.

**Statement of Cash Flows for the Year Ended 31 March 2024**

	Notes	2024	2023
		£	£
<b>Net cash inflow from operating activities</b>	19	1,474,631	1,539,833
<b>Investing Activities</b>			
Interest Receivable and Other Income		50,744	26,327
Improvements to Housing Properties		(61,665)	(373,861)
Purchase of Other Fixed Assets		(9,007)	(15,308)
Proceeds on Disposal of Property, Plant and Equipment		-	50,636
<b>Net cash outflow from investing activities</b>		(19,928)	(312,206)
<b>Financing Activities</b>			
Interest Payable and Similar Charges		(378,515)	(250,459)
Loan Principal Repayments		(707,870)	(754,164)
Share Capital Issued		4	9
<b>Net cash outflow from financing activities</b>		(1,086,382)	(1,004,614)
<b>(Decrease)/increase in cash</b>		368,321	223,013
<b>Opening Cash &amp; Cash Equivalents</b>		<u>2,097,980</u>	<u>1,874,967</u>
<b>Closing Cash &amp; Cash Equivalents</b>		<u>2,466,302</u>	<u>2,097,980</u>
<b>Cash and Cash equivalents as at 31 March</b>			
Cash		<u>2,466,302</u>	<u>2,097,980</u>

The notes on pages 22 to 39 form part of these Financial Statements.

**Statement of Changes in Equity as at 31 March 2024**

	Share Capital	Revenue Reserve	Total
	£	£	£
<b>Balance as at 1 April 2022</b>	148	20,335,717	20,335,865
Issue of Shares	9	-	9
Cancellation of Shares	-	-	-
Other comprehensive income	-	(263,000)	(263,000)
Surplus for the year	-	496,458	496,458
<b>Balance as at 31 March 2023</b>	<b>157</b>	<b>20,569,175</b>	<b>20,569,332</b>
<b>Balance as at 1 April 2023</b>	157	20,569,175	20,569,332
Issue of Shares	4	-	4
Cancellation of Shares	(100)	-	(100)
Other comprehensive income	-	(236,000)	(236,000)
Surplus for the year	-	551,465	551,465
<b>Balance as at 31 March 2024</b>	<b>61</b>	<b>20,884,640</b>	<b>20,884,701</b>

The notes on pages 22 to 39 form part of these Financial Statements.

## Notes to the Financial Statements for the Year Ended 31 March 2024

### 1. PRINCIPAL ACCOUNTING POLICIES

#### Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2015.

#### Going Concern

The Committee of Management are continually developing and implementing mitigating actions and processes to ensure that the Association continues to function and manage future operations and those of its workforce and stakeholders. The Committee of Management is satisfied of the Association's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Revenue

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with expenditure as it is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met.

Government Grants are released to income over the expected useful life of the asset to which it relates.

#### Retirement Benefits

The Association participates in the Scottish Housing Associations Defined Benefit Pension Scheme where retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association also participates in the Scottish Housing Associations Defined Contribution scheme as the defined benefit scheme is closed to new members. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

#### Valuation Of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 12(a). Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

Component	Useful Economic Life
Bathroom	20 Years
Boiler	15 Years
External Doors	40 Years
Kitchen	15 Years
Radiators	15 Years
Roof	50 Years
Structure	60 Years
Windows	40 Years

**1. PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Valuation Of Investment Properties**

The investment properties are held at market value and no depreciation is therefore charged.

**Depreciation and Impairment of Other Non-Current Assets**

Other non-current assets costing £250 or more are capitalised and stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

<b>Asset Category</b>	<b>Depreciation Rate</b>
Office Premises	2%
Furniture and Equipment	33%

The carrying value of non-current assets are reviewed for impairment at the end of each reporting period.

**Social Housing Grant and Other Grants in Advance/Arrears**

Social Housing Grants and Other Capital Grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates.

Social Housing Grant attributed to individual components is written off to the Statement of Comprehensive Income when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

**Sales Of Housing Properties**

First tranche Shared Ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the Statement of Comprehensive Income.

**Leases/Leased Assets**

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives.

**Works to Existing Properties**

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.



## 1. PRINCIPAL ACCOUNTING POLICIES (Continued)

### Key Judgements made in the application of Accounting Policies

#### **a) The Categorisation of Housing Properties**

In the judgement of the Committee of Management the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

#### **b) Pension Liability**

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. This year the Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has adopted this valuation method in line with FRS102.

### Financial Instruments - Basic

The Association classes all of its loans as basic financial instruments including agreements with break clauses. The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

### Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting judgements and accounting estimates. It also requires the Committee of Management to exercise judgement in applying the Association's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below.

#### **a) Rent Arrears - Bad Debt Provision**

The Association assesses the recoverability of rent arrears through a detailed assessment process which considers tenant payment history, arrangements in place and court action.

#### **b) Life Cycle of Components**

The Association estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

#### **c) Useful life of properties, plant, and equipment**

The Association assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this assessment.

#### **d) Defined pension liability**

Determining the value of the Association's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation, and the discount rate on corporate bonds.

#### **e) Allocation of share of assets and liabilities for multi-employer schemes**

Judgements in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi-employer pension schemes and estimations performed by the Pensions Trust.

#### **f) Split of office premises and investment property**

Part of the Aspire Business Centre, which is owned by the Association, is used by the Association for its offices with part rented out to third parties at commercial rates. Under FRS 102, the part of the building used by the Association for offices must be accounted for as a tangible fixed asset and depreciated whilst the part of the building rented out must be accounted for as an investment property and held at market value. The Management Committee have based this split on the square footage of the building with 40.8% used by the Association and 59.2% rented to third parties and thus treated as an investment property.

## 2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING AND OTHER ACTIVITIES

	Notes	2024			2023		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3	4,457,434	3,480,546	976,888	4,246,826	3,471,222	775,603
Other Activities	4	242,798	340,449	(97,651)	237,536	273,186	(35,648)
<b>Total</b>		<b>4,700,232</b>	<b>3,820,995</b>	<b>879,236</b>	<b>4,484,362</b>	<b>3,744,407</b>	<b>739,955</b>

## 3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Supported Housing £	Shared Ownership £	2024 Total £	2023 Total £
<b>Revenue from Lettings</b>					
Rent receivable	4,247,674	68,091	19,353	4,335,118	4,131,038
<b>Gross income from rent and service charges</b>	4,247,674	68,091	19,353	4,335,118	4,131,038
Less: Rent losses from voids	(7,234)	-	-	(7,234)	(9,755)
<b>Net Rents Receivable</b>	4,240,440	68,091	19,353	4,327,884	4,121,283
Grants released from deferred income	88,180	-	1,256	89,436	93,398
Other revenue grants	40,114	-	-	40,114	32,145
<b>Total turnover from affordable letting activities</b>	4,368,734	68,091	20,609	4,457,434	4,246,826
<b>Expenditure on affordable letting activities</b>					
Management and maintenance administration costs	1,445,423	1,150	1,182	1,447,754	1,481,392
Planned and cyclical maintenance, including major repairs	466,604	1,208	842	468,655	588,929
Reactive maintenance costs	684,361	11,813	35	696,209	479,168
Bad Debts - rents and service charges	11,069	-	-	11,069	(10,710)
Depreciation of affordable let properties	845,385	8,036	3,437	856,859	932,443
<b>Operating costs of affordable letting activities</b>	3,452,843	22,207	5,496	3,480,546	3,471,222
<b>Operating surplus on affordable letting activities</b>	915,891	45,884	15,113	976,888	775,603
<b>2023</b>	<b>742,792</b>	<b>23,162</b>	<b>9,649</b>		

4. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

	Grants from Scottish Ministers	Other Revenue Grants	Other Income	Total Turnover	Operating Costs	Operating Surplus / (Deficit) 2024	Operating Surplus / (Deficit) 2023
	£	£	£	£	£	£	£
Commercial activities	-	-	84,995	84,995	103,630	(18,635)	(15,357)
Factoring	-	-	157,303	157,303	228,123	(70,821)	(19,845)
Wider role activities	-	-	-	-	8,696	(8,696)	(947)
Management charge to subsidiary	-	-	500	500	-	500	500
<b>Total From Other Activities</b>	-	-	<b>242,798</b>	<b>242,798</b>	<b>340,449</b>	<b>(97,651)</b>	<b>(35,648)</b>
<b>2023</b>	-	-	<b>237,536</b>	<b>237,536</b>	<b>273,186</b>	<b>(35,648)</b>	

**5. OFFICERS' EMOLUMENTS**

The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Committee of Management, managers, and employees of the Association.

	2024	2023
	£	£
<b>Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)</b>		
Gross Pay	136,307	133,415
Employer's National Insurance	<u>16,127</u>	<u>15,623</u>
Total	<u>152,433</u>	<u>149,038</u>
Pension contributions made on behalf of Officers with emoluments greater than £60,000	<u>20,287</u>	<u>19,647</u>
<b>Emoluments payable to Director (excluding pension contributions)</b>		
Gross Pay	77,475	73,963
Employer's National Insurance	<u>9,436</u>	<u>9,419</u>
Total	<u>86,911</u>	<u>83,382</u>
<b>Total Emoluments paid to key management personnel</b>		
Gross Pay	292,628	284,902
Employer's National Insurance	33,342	32,900
Employer Pension Contributions	<u>43,423</u>	<u>41,731</u>
Total	<u>369,393</u>	<u>359,533</u>
The full time equivalent number of staff who received remuneration (including employer pension contributions) greater than £60,000 (including the executive team):		
	<b>Number</b>	<b>Number</b>
£60,001 to £70,000	3	3
£70,001 to £80,000	1	1
£90,001 to £100,000	1	1

**6. EMPLOYEE INFORMATION**

	2024	2023
	No.	No.
The average monthly number of full time equivalent persons employed during the year was:	<u>18</u>	<u>21</u>
The average total number of Employees employed during the year was:	<u>18</u>	<u>21</u>
Staff Costs were:	£	£
Wages and Salaries	699,922	770,065
Social Security Costs	66,642	69,408
Other Pension Costs	87,185	90,950
Temporary, Agency and Seconded Staff	<u>67,388</u>	<u>66,555</u>
	<u>921,137</u>	<u>996,977</u>

**7. INTEREST RECEIVABLE & OTHER INCOME**

	2024	2023
	£	£
Interest receivable on deposits	42,067	16,990
Interest receivable on loan to subsidiary	<u>8,677</u>	<u>9,336</u>
	<u>50,744</u>	<u>26,327</u>

**8. INTEREST PAYABLE & SIMILAR CHARGES**

	2024	2023
	£	£
On Bank Loans	<u>(369,515)</u>	<u>(265,986)</u>

**9. SURPLUS FOR THE YEAR**

	2024	2023
	£	£
Surplus For The Year of £315,465 is stated after charging/(crediting):		
Depreciation - Tangible Owned Fixed Assets	877,981	953,002
Auditors' Remuneration - Audit Services	17,400	16,500
Operating Lease Rentals - Other	<u>23,312</u>	21,283

**10. TAX ON SURPLUS ON ORDINARY ACTIVITIES**

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities.

**11. OTHER FINANCE INCOME / CHARGES**

	2024	2023
	£	£
Defined Benefit Pension (costs)/income Recognised in SOCI	<u>9,000</u>	<u>15,527</u>

**12. NON-CURRENT ASSETS**

(a) Housing Properties	Housing Properties Held for Letting £	Shared Ownership Completed £	Total £
<b>COST</b>			
As at 1 April 2023	35,492,214	206,226	35,698,440
Additions	61,665	-	61,665
Disposals	<u>(15,684)</u>	<u>-</u>	<u>(15,684)</u>
As at 31 March 2024	35,538,196	206,226	35,744,422
<b>DEPRECIATION</b>			
As at 1 April 2023	5,608,818	87,919	5,696,737
Charge for Year	843,992	3,437	847,429
Disposals	<u>(6,254)</u>	<u>-</u>	<u>(6,254)</u>
As at 31 March 2024	6,446,556	91,356	6,537,912
<b>NET BOOK VALUE</b>			
As at 31 March 2024	<u>29,091,640</u>	<u>114,870</u>	<u>29,206,510</u>
As at 31 March 2023	<u>29,883,397</u>	<u>118,307</u>	<u>30,001,703</u>

Additions to housing properties include capitalised major repair costs to existing properties of £61,665 (2023: £373,861).

All land and housing properties are heritable.

Total expenditure on existing properties in the year amounted to £1,068,107 (2023: £1,373,958). This includes the amount capitalised for component additions of £61,665 (2023: £373,861).

The Association's Lenders have standard securities over Housing Property with a carrying value of £23,144,510 (2023: £17,498,042).

**12. NON CURRENT ASSETS (Continued)**

(b) Other Tangible Assets	Office Premises £	Investment Properties £	Furniture and Equipment £	Total £
<b>COST</b>				
As at 1 April 2023	525,000	935,000	223,328	1,683,328
Additions	-	-	9,007	9,007
Disposals	-	-	-	-
Transfer	5,000	(5,000)	-	-
As at 31 March 2024	530,000	930,000	232,335	1,692,335
<b>AGGREGATE DEPRECIATION</b>				
As at 1 April 2023	105,000	-	211,695	316,695
Charge for year	11,600	-	9,523	21,123
Disposals	-	-	-	-
As at 31 March 2024	116,600	-	221,217	337,817
<b>NET BOOK VALUE</b>				
As at 31 March 2024	<u>413,400</u>	<u>930,000</u>	<u>11,118</u>	<u>1,354,518</u>
As at 31 March 2023	<u>420,000</u>	<u>935,000</u>	<u>11,633</u>	<u>1,366,633</u>

The fair value, as at 31 March 2024, of the Aspire Business Centre was £1,300,000 (2023: £1,300,000). This is based on a valuation performed by DM Hall on 15 December 2021. 40.8% of the Aspire Business Centre is used by the Association and is accounted for as office premises at historic (deemed) cost. The remaining 59.2% of the Aspire Business Centre is available for rent to 3rd parties and is accounted for as an investment property. The investment properties balance also includes £35,000 for 1 shop (2023: 1 shop at £35,000) and £125,000 for 35 lockups (2023: 35 lockups at £125,000). The shops and lockups were valued by JLL on 9 February 2022.

**13. INVESTMENT IN SUBSIDIARY**

	2024 £	2023 £
Shares in subsidiary company	<u>100</u>	<u>100</u>

Aspire Community Development Company Limited is a wholly owned subsidiary which was incorporated in Great Britain on 27 August 1999 and is registered in Scotland. The 2023-24 subsidiary company accounts show a profit for the year of £22,172 (2023: £30,966) and net assets of £286,228 (2023: £264,055).

**14. CAPITAL COMMITMENTS**

	2024 £	2023 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	<u>-</u>	<u>5,220</u>

The above commitments will be financed by the Association's own resources.

**15. COMMITMENTS UNDER OPERATING LEASES**

	2024	2023
	£	£
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:		
<b>Other</b>		
Not later than one year	19,909	21,913
Later than one year and not later than five	10,471	30,092

**16. RECEIVABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2024	2023
	£	£
Arrears of Rent & Service Charges	73,529	75,735
<b>Less: Provision for Doubtful Debts</b>	<b>(21,058)</b>	<b>(25,770)</b>
	52,471	49,964
Amounts Due From Subsidiary	346,858	347,788
Other Receivables	319,389	229,917
	<u>718,718</u>	<u>627,669</u>

**17. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2024	2023
	£	£
Housing Loans	718,360	700,186
Trade Payables	136,231	262,456
Rent Received in Advance	204,927	194,049
Accruals and Deferred Income	130,498	142,698
Other Payables	531,478	514,933
	<u>1,721,494</u>	<u>1,814,321</u>

At 31 March 2024, there were pension contributions outstanding of £12,200 (2023: £11,833).

**18. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2024	2023
	£	£
Housing Loans	7,330,506	8,756,736
<b>Housing Loans</b>		
Amounts due within one year	718,360	700,186
Amounts due in one year or more but less than two years	695,017	664,529
Amounts due in two years or more but less than five years	3,535,598	3,316,277
Amounts due in more than five years	3,099,891	4,075,745
	8,048,866	8,756,736
<b>Less: Amount shown in Current Liabilities</b>	<b>(718,360)</b>	<b>(700,186)</b>
	<u>7,330,506</u>	<u>8,056,550</u>



## Rutherglen and Cambuslang Housing Association Limited

### 18. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

The Association has a number of long-term housing loans, the terms and conditions of which are as follows:

Lender	Number of Properties Secured	Effective Interest Rate	Maturity (Year)	Variable / Fixed
Bank of Scotland	Standard security over Standard security over 147 properties	Base + 0.75%	2027	Variable
Bank of Scotland	Standard security over Standard security over 147 properties	Base + 0.75%	2027	Variable
Bank of Scotland	Standard security over Standard security over 147 properties	7.16%	2029	Fixed
Bank of Scotland	Standard security over Standard security over 147 properties	Base + 1.93%	2028	Variable
Energy Savings Trust	No security held	0%	2027	Interest Free
Nationwide Building Society	Standard security over Standard security over 125 properties	Base + 0.5%	2028	Variable
Nationwide Building Society	Standard security over Standard security over 125 properties	Base + 0.7%	2034	Variable
Nationwide Building Society	Standard security over Standard security over 125 properties	Base + 0.7%	2034	Variable
Royal Bank of Scotland	Standard security over Standard security over 249 properties	2.3832%	2040	Fixed
Royal Bank of Scotland	Standard security over Standard security over 249 properties	Base + 1.571%	2027	Variable
Royal Bank of Scotland	Standard security over Standard security over 249 properties	2.557%	2027	Fixed
Royal Bank of Scotland	Standard security over Standard security over 249 properties	2.610%	2030	Fixed
Scottish Government	No security held	0%	2025	Interest Free
Virgin Money	Standard security over Standard security over 112 properties	Base + 0.45%	2027	Variable
Virgin Money	Standard security over Standard security over 112 properties	Base + 0.45%	2034	Variable

All of the Association's loans are repayable on a monthly, quarterly or annual basis with the principal being amortised over the term of the loans except for one Bank of Scotland and two Royal Bank of Scotland loans which have bullet repayments, the intention of the Association is to refinance these loans in advance of the bullet repayments falling due.

### 19. STATEMENT OF CASH FLOWS

#### Reconciliation of surplus for the year to net cash inflow from operating activities

	2024	2023
	£	£
Operating Surplus for the year	879,236	739,955
Amortisation of Capital Grants	(89,436)	(93,398)
Depreciation	877,981	953,002
Change in debtors	(91,049)	10,858
Change in stock	-	1,381
Change in creditors	(102,001)	20,508
SHAPS Past Service Deficit Contribution Paid	-	(92,473)
Share Capital Written Off	(100)	-
Net cash inflow from operating activities	<u>1,474,631</u>	<u>1,539,833</u>

#### Analysis of Changes in Net Debt

	2023	Cash flows	Non-cash changes		2024
			Finance leases	Other changes	
	£	£			£
Long-term borrowings	(8,056,550)	707,870	-	18,174	(7,330,506)
Short-term borrowings	(700,186)	-	-	(18,174)	(718,360)
Total liabilities	<u>(8,756,736)</u>	<u>707,870</u>	<u>-</u>	<u>-</u>	<u>(8,048,866)</u>
Cash and cash equivalents	<u>2,097,980</u>	<u>368,321</u>	<u>-</u>	<u>-</u>	<u>2,466,302</u>
Total net debt	<u>(6,658,756)</u>	<u>1,076,192</u>	<u>-</u>	<u>-</u>	<u>(5,582,564)</u>

20. DEFERRED INCOME	Housing Properties Held for Letting £	Shared Ownership Completed £	Total £
<b>Social Housing Grants</b>			
As at 1 April 2023	3,762,423	75,363	3,837,786
Eliminated on disposal of components and property	-	-	-
As at 31 March 2024	3,762,423	75,363	3,837,786
<b>Amortisation</b>			
As at 1 April 2023	339,130	30,773	369,903
Amortisation in year	88,180	1,256	89,436
Eliminated on disposal	-	-	-
As at 31 March 2024	427,310	32,029	459,339
<b>Net book value</b>			
As at 31 March 2024	<u>3,335,113</u>	<u>43,334</u>	<u>3,378,447</u>
As at 31 March 2023	<u>3,423,293</u>	<u>44,590</u>	<u>3,467,883</u>

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

	2024 £	2023 £
Amounts due within one year	89,436	89,436
Amounts due in one year or more	<u>3,289,011</u>	<u>3,378,447</u>
	<u>3,378,447</u>	<u>3,467,883</u>

21. SHARE CAPITAL	2024 £	2023 £
<b>Shares of £1 each Issued and Fully Paid</b>		
As at 1 April 2023	157	148
Issued in year	4	9
Cancelled in year	<u>(100)</u>	-
As at 31 March 2024	<u>61</u>	<u>157</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

**22. HOUSING STOCK**

	2024 No.	2023 No.
The number of units of accommodation in management at the year-end was:		
General Needs	873	873
Shared Ownership	8	8
Supported Housing	<u>2</u>	<u>2</u>
	<u>883</u>	<u>883</u>

Housing Units owned by the Association and leased to another body:

**Name of Organisation**

The Richmond Fellowship Scotland Limited	1	1
SRS Care Solutions Limited	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

**23. RELATED PARTY TRANSACTIONS**

**Committee of Management**

Members of the Committee of Management are related parties of the Association as defined by Financial Reporting Standard 102.

Any transactions between the Association and any entity with which a Committee of Management member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Committee of Management members (and their close family) were as follows:

	2024 £	2023 £
Rent received from tenants on the Committee of Management and their close family members	27,535	19,004
Income received from factored owners on the Committee of Management and their close family members	553	629

At the year-end total rent arrears owed by the tenant members on the Committee of Management (and their close family) were £178 (2023: £nil).

At the year-end total arrears owed by the factored owner members on the Committee of Management (and their close family) were £nil (2023: £nil).

	2024	2023
Members of the Committee of Management who are tenants	6	4
Members of the Committee of Management who are factored owners	1	1

**Aspire Community Development Company Limited**

Aspire Community Development Company Limited ('Aspire') is a wholly owned subsidiary of Rutherglen and Cambuslang Housing Association Limited ('the Association').

The Association rented out rooms in the Caledonian Centre in the year, generating income of £nil (2023: £nil) for Aspire.

## 23. RELATED PARTY TRANSACTIONS (continued)

Management charges of £500 (2023: £500) were recharged to Aspire by the Association for services rendered by the Director of the Association in respect of Aspire.

£4,894 (2023: £2,203) of insurance costs incurred by the Association in relation to the Caledonian Centre were recharged to Aspire.

Aspire reimbursed the Association for invoices paid on its behalf totalling £nil (2023: £7,370).

At 31 March 2024, £346,858 (2023: £347,788) was owed to the Association from Aspire.

£8,677 (2023: £9,336) in interest was charged by the Association on the balance due from Aspire.

Aspire also made loan repayments to the Association of £15,000 (2023: £42,370).

## 24. DETAILS OF ASSOCIATION

The Association is a Registered Society registered with the Financial Conduct Authority and is domiciled in Scotland.

The Association's principal place of business is Aspire Business Centre, 16 Farmeloa Road, Rutherglen, South Lanarkshire, G73 1DL.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in Rutherglen and Cambuslang.

## 25. COMMITTEE OF MANAGEMENT MEMBER EMOLUMENTS

Committee of Management members received £777 (2023: £113) in the year by way of reimbursement of expenses. No remuneration is paid to Committee of Management members in respect of their duties to the Association.

## 26. SHAPS PENSION PROVISION

	2024	2023
	£	£
As at 1 April 2023	(186,000)	(31,000)
Decrease/(increase) in Provision	<u>(245,000)</u>	<u>(155,000)</u>
Balance as at 31 March 2024	<u>(431,000)</u>	<u>(186,000)</u>

The pension provision is equal to the deficit in the plan, arrived at by deducting the present value of defined benefit obligation from the fair value of plan assets – as detailed at note 27.

In the year to 31 March 2024, the deficit in the plan has increased due to the impact of actuarial losses on the defined benefit obligation.

## 27. RETIREMENT BENEFIT OBLIGATIONS

### Scottish Housing Associations' Pension Scheme

Rutherglen and Cambuslang Housing Association Limited participates in the Scottish Housing Associations' Pension Scheme ('the Scheme'), the assets of which are held in a separate trustee administered fund. The Association has employees in the defined contribution scheme.

**27. RETIREMENT BENEFIT OBLIGATIONS (Continued)**

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal then the liability of the withdrawing employer is re-appointed amongst the remaining employers. Therefore, in certain circumstances the Association may become liable for the obligations of a third party.

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.

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 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 28 February 2025 inclusive.

**Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)**

	2024 £000	2023 £000
Fair value of plan assets	3,121	3,201
Present value of defined benefit obligation	<u>3,552</u>	<u>3,387</u>
Surplus (deficit) in plan	(431)	(186)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(431)	(186)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	<u>(431)</u>	<u>(186)</u>

**Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation**

	2024 £000	2023 £000
Defined benefit obligation at start of period	3,387	5,328
Current service cost	-	-
Expenses	5	6
Interest expense	162	146
Member contributions	-	-
Actuarial losses (gains) due to scheme experience	161	(429)
Actuarial losses (gains) due to changes in demographic assumptions	(20)	(73)
Actuarial losses (gains) due to changes in financial assumptions	(21)	(1,408)
Benefits paid and expenses	(122)	(183)
Liabilities acquired in a business combination	-	-
Liabilities extinguished on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Exchange rate changes	-	-
Defined benefit obligation at end of period	<u>3,552</u>	<u>3,387</u>

**27. RETIREMENT BENEFIT OBLIGATIONS (Continued)**

**Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets**

	2024 £000	2023 £000
Fair value of plan assets at start of period	3,201	5,297
Interest income	153	147
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(116)	(2,173)
Employer contributions	5	113
Member contributions	-	-
Benefits paid and expenses	(122)	(183)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	<u>-</u>	<u>-</u>
Fair value of plan assets at start of period	<u>3,121</u>	<u>3,201</u>

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was £37,000.

**Defined Benefit Costs Recognised in Statement of Comprehensive Income (SOCl)**

	2024 £	2023 £
Current Service Cost	-	-
Expenses	5	6
Net Interest Expense	9	(1)
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>14</u>	<u>5</u>

**Defined benefit costs recognised in Other Comprehensive Income (OCI)**

	2024 £	2023 £
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(116)	(2,173)
Experience gains and losses arising on the plan liabilities - gain (loss)	(161)	429
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	20	73
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	<u>21</u>	<u>1,408</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(236)	(263)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total amount recognised in Other Comprehensive Income - gain (loss)	<u>(236)</u>	<u>(263)</u>

**27. RETIREMENT BENEFIT OBLIGATIONS (Continued)**

Actuarial gain/(loss) is a non-cash item that occurs due to changes in actuarial assumptions used by The Pensions Trust (TPT) for the Scottish Housing Associations' Pension Scheme (SHAPS). This figure can be subject to significant change year on year.

**Fair Value of Scheme Assets**

	2024 £000	2023 £000
Global Equity	359	85
Absolute Return	140	44
Distressed Opportunities	115	99
Credit Relative Value	110	122
Alternative Risk Premia	112	18
Emerging Markets Debt	55	25
Risk Sharing	187	233
Insurance-Linked Securities	19	89
Property	132	133
Infrastructure	299	345
Private Debt	2	143
Opportunistic Illiquid Credit	126	142
High Yield	124	16
Opportunistic Credit	1	-
Cash	-	13
Corporate Bond Fund	81	4
Liquid Credit	-	-
Long Lease Property	-	107
Secured Income	23	214
Over 15 Year Gilts	104	-
Liability Driven Investment	1,129	1,356
Currency Hedging	(1)	6
Net Current Assets	4	7
<b>Total Assets</b>	<b><u>3,121</u></b>	<b><u>3,201</u></b>

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.

**Key Assumptions**

	2024 % p.a.	2023 % p.a.
Discount Rate	4.90%	4.86%
Inflation (RPI)	3.15%	3.19%
Inflation (CPI)	2.78%	2.77%
Salary Growth	3.78%	3.77%
Allowance for commutation of pension for cash at retirement (% of maximum allowance)	75%	75%

**27. RETIREMENT BENEFIT OBLIGATIONS (Continued)**

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies at age 65:

	2024 Years	2023 Years
Male retiring in-year	20.2	20.5
Female retiring in-year	22.7	23.0
Male retiring in 30 years	21.4	21.7
Female retiring in 30 years	24.1	24.4

**Review of Historic Scheme Benefit Changes**

During 2022/23, the Association was advised that following the triennial valuation no further deficit contribution would be required at this time and as from October 2022, we have stopped paying additional amounts. The next triennial valuation will be undertaken September 2024, following which the actuary will project the liabilities and funding position for the pension fund. Until this is complete it is uncertain what the requirement will be in terms of funding any further deficit position. The position regarding any future deficit payment requirements, if required, is unlikely to be known before September 2025 with any payments, if due, commencing April 2026. Based on the current market movements it is anticipated that there is a likelihood that further contributions from employers will be required, however it is not possible to calculate the impact of this issue with any accuracy beyond the provision for £431,000 which has been made based on the accounting requirements.

In May 2021 the Scheme Trustee (TPT Retirement Solutions) notified employers of a review of historic scheme benefit changes, and this review has raised legal questions regarding whether and when some historic benefit changes should take effect, the outcome of which could give rise to an increase in liabilities for some employers. The Scheme Trustee has determined that it is prudent to seek clarification from the Court on these items, and a date for this has now been set for 2025.

On 4 May 2022, the Scheme Trustee issued an update to employers which included an estimate of the potential additional liabilities at the full scheme level, on a Technical Provisions basis. However, until Court directions are received, it is not possible to calculate the impact on an individual employer basis with any accuracy. As a result of this, no provision will be made for the potential additional liabilities within the financial statements or the related accounting disclosures included in this note.