



Alexander Sloan
Accountants and Business Advisers

Southside Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2025

Registered Social Landlord No. HCB186

FCA Reference No. 1694R(S)

Scottish Charity No. SC036009

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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SOUTHSIDE HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025

MANAGEMENT COMMITTEE

Alex Cameron	Chairperson (Reappointed 12 th September 2024)
Ruth McCluskey	Vice Chairperson (Reappointed 12 th September 2024)
Alison Devlin	Secretary (Reappointed 12 th September 2024)
Iain Dyer	Resigned 5 th December 2024
Surjit Singh Chowdhary	
Betty Macneill	
Munir Choudry	
Shirley Robison	
Liz Ely	
Lisa Peebles	Appointed 12 th September 2024
Jenna Monteith	Appointed 12 th September 2024
Pamela McLevy	Appointed 12 th September 2024
Lilian Peters	Filled casual vacancy 27 th March 2025

EXECUTIVE OFFICERS

Paul McVey	Chief Executive Officer
Donna Reilly	Director of Property Services
Pauline Fletcher	Director of Housing and Communities
Laura Brennan	Director of Finance and Corporate Services
Paul McColgan	Director of Property Services (Appointed 2 nd December 2024)

REGISTERED OFFICE

135 Fifty Pitches Road
Glasgow
G51 4EB

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

Wylie Bisset LLP
166 Bath Street
Glasgow
G2 4TP

BANKERS

Bank of Scotland
464 Victoria Road
Glasgow
G42 8PB

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

The Management Committee presents its report and the financial statements for the year ended 31 March 2025.

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No. 1694R(S)), the Scottish Housing Regulator as a registered social landlord (No. HCB186) under the Housing (Scotland) Act 2010 and as is a registered Scottish Charity with the charity number SC036009.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation.

Review of Business and Future Developments

The Association reported a surplus for the year of £770,765 (2023/24: surplus £2,017,496).

The equity balance of £52,729,307 (2023/24: £52,232,550).

Governing Body

The Association's Governing Body is the Management Committee which meets monthly. At the AGM which was held in September 2024, one-third of the Management Committee and two members who had acted as casual members stood down in accordance with our rules and any members who had served for more than nine consecutive years were subject to a review in accordance with the rules of the Association. All Committee members underwent an annual appraisal, again consistent with our rules and with the Regulatory Framework that we work to.

Alex Cameron was re-appointed as the Chairperson of the Management Committee, Ruth McCluskey was elected as Vice Chairperson and Alison Devlin as Secretary and collectively they form the SHA Management Committee Office bearers. During the course of the year from the 2024 AGM, Iain Dyer resigned as a member of the Management Committee. Management Committee appointed a new member Lillian Peters in March 2025 to fill a vacancy on a casual member basis.

The Management Committee is actively supported by a Finance and Corporate Services Sub-Committee, and Operations Sub-Committee. Both sub-committees meet quarterly.

The Associations' activities as a registered social landlord and a Scottish Charity are subject to regulation by a number of Regulatory bodies such as the Scottish Housing Regulator, the Office of the Scottish Charity Regulator and the Financial Conduct Authority. Over the course of the year there has been no significant engagement with any of our Regulators. The Scottish Housing Regulator publishes a Regulatory Status for every Scottish social landlord annually in March following its annual risk assessment of every social landlord. The Associations' Regulatory Status remains 'Compliant'. The Scottish Housing Regulator also publish an Engagement Plan which sets out how they are engaging with each registered social landlord. The Association's Engagement Plan for 2025-26 requires the Association to provide the Scottish Housing Regulator with monthly cash flow forecasts and an updates on its plans to obtain private financing to fund Development plans.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Performance as a Registered Landlord

As part of the Scottish Housing Regulators' regulatory regimen, the Association's performance in relation to a range of key performance indicators is assessed annually and benchmarked with other registered social landlords in Scotland through the Annual Return of the Scottish Social Housing Charter.

The Association continues to maintain a high level of performance in the key service delivery areas of Lettings, Void Management, Tenancy Sustainment, Rent Collection and Arrears Management, Repairs and Maintenance and Housing Quality, areas which tenants have told the Association are important to them.

The Associations' repairs and maintenance performance improved across reactive repairs including emergency and non-emergency repairs, and in delivering repairs done right first time. The Association's reactive repairs and void contractors have also continued to show a marked improvement in delivering a high-quality repairs service across all SHA neighbourhoods. The Association also restructured the repairs team and housing team to ensure closer working within designated housing patches.

The Associations' cyclical maintenance programmes across key tenant safety areas such as gas safety, electrical safety, fire safety, asbestos and legionella management also maintained high levels of performance with good levels of compliance across all areas.

There has also been improved performance in how the Association lets our homes and in management of empty homes, with homes taking 13 days to re-let on average. Tenancy offers which were refused by applicants also continued to fall with under 20% of offers of housing being refused, highlighting closer partnership working between the Association's Housing Team and Glasgow Health & Social Care Partnership's local lettings teams. The Association have also contributed to the alleviation of Glasgow's declared housing emergency by meeting the local authority's targets for lets to homeless people.

The Association has also marginally improved its performance in relation to current tenant rent arrears, however this area remains a focus for further improvement during 2025/26. As part of a wider continuous improvement focus the Association has implemented a new customer management system Rubixx Housing, which it is hoped will drive improved monitoring, analysis, operational management and reporting in relation to key business areas.

From 1 April 2024 Property Factoring activities returned to the Association as the charitable parent from the subsidiary which had previously managed Property Factoring in relation to homeowners and commercial properties. Property Factoring activities are now focussed on area regeneration and improvement in line with the Associations' Charitable Objects. The initial year of property factoring operations within the Association has been one of focus on streamlining processes, improved customer service and debt management and recovery. Implementation of a new Factoring software solution CPL and a property factoring customer profile have assisted a transition of customer self-service and smarter working process within Property Factoring.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Table 1 - Southside Housing Association – Annual Return on the Charter Performance

Indicator	2020/21	2021/22	2022/23	2023/24	2024/25
Gross Rent Arrears as a percentage of rent due	6.47%	6.56%	7.27%	7.07%	6.42%
Average days to re-let properties	38.73 days	43.46 days	59.86 days	19.81 days	13.02 days
Percentage of rent due lost through empty properties	0.66%	0.87%	1.07%	0.5%	0.2%
Percentage of tenancy offers refused	38.35%	49.65%	30.1%	23.58%	19.85%
Percentage of new tenancies sustained for more than a year *All Lets*	92.1%	92.41%	90.63%	91.67%	90.05%
Percentage of tenants satisfied with the quality of their home	96%	96%	77%	77%	77%
Average hours taken to complete emergency repairs	1.99 hours	2.61 hours	3.53 hours	3.19 hours	2.78 hours
Average hours taken to complete non-emergency repairs	2.81 days	4.32 days	8.5 days	4.40 hours	3.97 hours
Percentage of homes with gas safety record renewed by anniversary date	100%	99.81%	100%	99.7%	99.8%
Percentage of reactive repairs completed right first time	96.68%	90.82%	70.6%	89.81%	95.34%
Percentage of tenants satisfied with the repairs service	-	62.8%	71%	71%	71%
Percentage of self-contained properties that meet SHQS	74.76%	71.46%	64.38%	77.95%	87.88%
Percentage of self-contained properties meeting EESSH	84.4%	81.6%	83.1%	86.5%	88.9%
Percentage of Stage 1 and Stage 2 complaints responded to in full	S1 – 88% S2 – 91.67%	S1 – 94.64% S2 – 88.24%	S1 – 97.21% S2 – 96.49%	S1 – 100% S2 – 93.8%	S1 – 98.84% S2 – 97.3%
Average time in working days for a full response to complaints at Stage 1 and Stage 2	S1 – 5.8 days S2 – 31.82 days	S1 – 8.93 days S2 – 10.57 days	S1 – 5.6 days S2 – 17.53 days	S1 – 5.22 days S2 – 12.5 days	S1 – 6.04 days S2 – 12.03 days

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Investing in Homes

This year, Southside continued to invest in the improvement of our existing homes, reflected in stronger performance against SHQS and EESSH standards. We will maintain this focus, directing resources toward further progress in these areas.

The wider operating environment remains challenging for social landlords, with rising costs and the need to protect affordability for tenants. Despite these pressures, we remain committed to providing homes that are well-maintained, safe, secure, and energy-efficient.

Table 2 planned investment works completed in 2024/25 which assisted us in achieving improvements in SHQS and EESSH compliance in several of our properties.

Table 2

Project	Addresses	No. of Properties	Cost
Gas Boiler Replacements	Ad-hoc	24	£70,000
Kitchen Replacements	Ad-hoc	104	£687,900
Bathroom Replacements	Ad-hoc	10	£45,500
Lift Replacement	Cardonald	220	£326,400
Electrical Systems Upgrades	Cardonald & Pollokshields - Various	418	£573,000
Lift Auto Dialler Upgrade	Various	-	£156,800
Grand Total			£1,859,600

Building and Developing Homes for the Future

Southside Housing continues to grow as a key developer of new homes, delivering high-quality housing through our ongoing new build programme. Our commitment to regeneration also extends beyond construction, as we actively invest in upgrading properties acquired through our private acquisition programme. This dual approach enables us to expand our housing stock while improving the standard of existing homes across our communities.

Construction work continues on the site of the former Arnold Clark premises at 640 Pollokshaws Road, where 50 new homes are being delivered to address local housing needs. These new homes are designed with sustainability and community in mind, and we look forward to welcoming future tenants upon completion.

Looking ahead, the Association is actively progressing several exciting new projects scheduled for the coming years. These initiatives reaffirm our commitment to providing high-quality, affordable housing across our communities.

Full details of our development projects can be found in Table 3.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Table 3 – New Homes

No	Project	Units	Site Start	Completion	HAG	Private Finance	TOTAL
1	640 Pollokshaws Rd	50	March 2025	Nov 2026	£6.995m	£4.037m	£11.032m
2	86 Craigie Street	4	June 2025	March 2026	£0.611m	£0.203m	£0.814m
3	Works to Acquisition Flats	20	June 2025	March 2026	£5.364m	£0.750m	£6.114m
4	Mosspark URC Site	28	TBC	TBC	£4.300m	£1.440m	£5.740m
5	150 Berryknowes Ave	93	TBC	TBC	£19.863m	£6.979m	£26.842m
	TOTAL	195			£37.133m	£13.409m	£50.542m

Care and Repair

The Association is the Managing Agent for Glasgow Care & Repair. The Service carries out a range of small repairs, minor adaptations and housing support type tasks for older and disabled homeowners and private rented tenants (PRT's) and for older and disabled tenants of partner housing associations, including Southside Housing Association.

The service underwent a major service review with funding partners Glasgow City Council (GCC) and Health and Social Care Partnership (HSCP) towards the end of the financial year. The outcome of the review is that the Association will no longer manage the service from 30th June 2025.

Table 4 below provides a breakdown of the numbers and types of jobs carried out by Care and Repair for older and disabled tenants of SHA to the end of the reporting year.

Table 4 - Handyperson Service for SHA Tenants

Job Category	Apr 23 – Mar 24	Apr 24 – Mar 25
Joinery	149	91
Electrical	11	25
Plumber	0	6
Internal handrails	5	5
Keysafes	32	23
Safety/Security	3	4
Home	77	34
Lower Thresholds	4	4
Internal Accessibility	0	1
Grab Rails	41	23
Doors/Windows	0	0
Advice from HP	11	13
Signpost from Office	(15)	(22)
Total No. Client Job Tasks	333	229

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Advice Services

Southside continues to provide specialist Welfare Rights and Money Advice services to our own residents, 3 other Housing Associations in the South of Glasgow and to the Glasgow South Carers service. In 2024/2025 due to a successful funding bid to the Energy Redress Scheme, Energy Advice services were added to the support provided to tenants. Tables 1, 2 and 3 provide financial outcomes for all the services, and the breakdown per funder and by service type

Table 1.0: Closed cases 2024/2025 All Services

	Number of Households	Number of Cases	Financial Gains Sum Calculated Financial Gain
Cases Closed 2024/2025	1323	2853	£4,700,019.73

Table 2.0: Breakdown of Financial Gains by Service (closed cases all services)

Client Profile (Current) Registered Social Landlord	Case Details Count Number of Cases	Financial Gains Sum Calculated Financial Gain
Carers Service, Care & Repair & Community	263	£627,300.17
Cathcart HA	403	£708,379.41
Craigdale HA	168	£350,788.78
New Gorbals HA	160	£38,447.90
Southside HA	1859	£2,975,103.47
Report Total	2853	£4,700,019.73

Table 3.0 Financial Gains by Service Type

Case Details Matter Category	Case Details Count Number of Cases	Financial Gains Sum Calculated Financial Gain
Fuel vouchers, Tenancy sustainment awards, Grants and Foodbank	451	£19,220.79
Debt	125	£193,743.97
Welfare Rights	1819	£4,425,596.31
Energy	401	£58,910.66
Energy project vouchers	57	£2,548.00
Report Total	2853	£4,700,019.73

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Money Advice

The FCA registered Debt Advice service assists tenants with consumer and fuel debt and is DAS approved. There have been 84 new cases opened in 2024/2025, and 125 cases closed with over £190k of unmanageable debt written off. Table 3 details new cases per funder

Table 4.0 New Debt Cases per Funder	
Client Profile (Current) Registered Social Landlord	Case Details Count Number of Cases
Carers	9
Cathcart HA	8
Craigdale HA	2
New Gorbals HA	20
Southside HA	45
Report Total	84

Energy Project Progress

The Energy Advice project was launched in June 2024 and is currently funded to 31st May 2026. Financial gains achieved so far for tenants are £58,910.66 for cases closed by 31/3/2025. Overall targets over the two-year project agreed with the funders, and what has been achieved so far is detailed in table 5.

Table 5.0 Energy Redress Scheme Project outputs		
Outputs over project duration	Target by May 2026	Achieved to date
Distinct Households Provided Energy Advice	1100	555
Home Visits delivered	1000	320
Telephone Advice Calls	600	1470
Face to Face Advice sessions/appointments/drop ins	350	191
Crisis Payments	400	57
Case Studies	66	21
Wellbeing/Feedback surveys	110	71

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Management Committee and Executive Officers

The members of the Management Committee and the Executive officers are listed on page 1.

Each member of the Management Committee 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 Management Committee.

The members of the Management Committee are also trustees of the charity. Members of the Management Committee are appointed by the members at the Association's Annual General Meeting.

Statement of Management Committee's Responsibilities

The Co-operative and Community Benefit Societies Act 2014 requires the Management Committee to prepare financial statements for each financial year that 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 Management Committee 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 a going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- prepare a statement on internal financial control.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to: ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

Going Concern

Based on its budgetary and forecasting processes the Management Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future; therefore, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Statement on Internal Financial Control

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

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

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

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee receives reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Management Committee is undertaken; and
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year end 31 March 2025. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Donations

During the year the Association made charitable donations of £9,898 (2024 - £6,807).

Disclosure of Information to the Auditor

The members of the Management Committee at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Auditor

A resolution to reappoint the Auditors, Alexander Sloan LLP, Accountants and Business Advisers, will be proposed at the Annual General Meeting.

By order of the Management Committee

ALISON DEVLIN
Secretary

9/9/2025

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE MEMBERS OF SOUTHSIDE HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the financial statements, we have reviewed your statement on page 10 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements to 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 of Internal Financial Control on page 10 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

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

ALEXANDER SLOAN LLP
Accountants and Business Advisers
Statutory Auditors
GLASGOW

9/9/2025



Alexander Sloan
Accountants and Business Advisers

SOUTHSIDE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHSIDE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Opinion

We have audited the financial statements of Southside Housing Association Limited (the 'Association') for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2025 and of the surplus 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, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024.

Basis of 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 United Kingdom, including the Financial Reporting Council'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 audit opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Management Committee 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 Management Committee with respect to going concern are described in the relevant sections of this report.

Other Information

The Management Committee is responsible for the other information. The other information comprises the information contained 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.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHSIDE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Other Information (Contd.)

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 require 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;
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation;
- the Statement of Comprehensive Income and Statement of Financial Position 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 Management Committee

As explained more fully in the statement of Management Committee's responsibilities as set out on page 9, the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give true and fair view, and for such internal control as the Management Committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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:

SOUTHSIDE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHSIDE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we gained an understanding of the legal and regulatory framework applicable to the Association through discussions with the Management Committee and other management, and from our wider knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014 (and related regulations), the Housing (Scotland) Act 2010 and other laws and regulations applicable to a registered social housing provider in Scotland. We also considered the risks of non-compliance with the other requirements imposed by the Scottish Housing Regulator and we considered the extent to which non-compliance might have a material effect on the financial statements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing the Association's Assurance Statement and associated supporting information; and
- reviewing correspondence with the Scottish Housing Regulator.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHSIDE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

The extent to which the audit was considered capable of detecting irregularities including fraud (Contd.)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Description of the 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 aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

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>. The description forms part of our audit report.

Use of our Report

This report is made solely to the Association's members as a body, in accordance with Part 7 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.

ALEXANDER SLOAN LLP
Accountants and Business Advisers
Statutory Auditors
GLASGOW

9/9/2025



Alexander Sloan
Accountants and Business Advisers

SOUTHSIDE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Notes	£	2025 £	As Restated 2024 £
Revenue	2		18,737,804	17,961,994
Operating costs	2		17,332,087	18,253,254
OPERATING SURPLUS / (DEFICIT)			1,405,717	(291,260)
Gain on sale of housing stock	7	(325,648)	2,796,438	
Release of negative goodwill	14	111,000	111,000	
Exceptional item	-	-	2	
Interest payable and similar charges	8	(431,304)	(702,684)	
Other Finance income/(charges)	11	11,000	104,000	
			(634,952)	2,308,756
Surplus on ordinary activities before taxation	9		770,765	2,017,496
SURPLUS FOR THE YEAR			770,765	2,017,496
Other comprehensive income				
Actuarial gains/(losses) on defined benefit pension plan	21		(274,000)	456,000
TOTAL COMPREHENSIVE INCOME			496,765	2,473,496

The results relate wholly to continuing activities.

The notes on pages 21 to 46 form an integral part of these financial statements.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Notes	2025	As Restated 2024
		£	£
NON-CURRENT ASSETS			
Housing properties - depreciated cost	12	137,076,755	142,139,353
Other tangible assets	12	1,897,131	1,956,903
Intangible assets	12	164,714	214,135
Investments	13	1	1
		<u>139,138,601</u>	<u>144,310,392</u>
Negative goodwill	14	(3,998,824)	(4,109,824)
CURRENT ASSETS			
Receivables	15	1,410,105	2,479,270
Other Current Assets	16	-	806
Cash and cash equivalents	17	5,108,705	3,144,880
		<u>6,518,810</u>	<u>5,624,956</u>
CREDITORS: Amounts falling due within one year	18	(14,528,039)	(6,453,485)
NET CURRENT LIABILITIES		<u>(8,009,229)</u>	<u>(828,529)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		127,130,548	139,372,039
CREDITORS: Amounts falling due after more than one year	19	(782,392)	(9,896,442)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES			
Scottish housing association pension scheme	21	(427,000)	(456,000)
Strathclyde pension fund	21	357,000	721,000
		<u>(70,000)</u>	<u>265,000</u>
DEFERRED INCOME			
Social housing grants	22	(73,470,234)	(77,429,432)
Other grants	22	(78,615)	(78,615)
		<u>(73,548,849)</u>	<u>(77,508,047)</u>
NET ASSETS		<u>52,729,307</u>	<u>52,232,550</u>
EQUITY			
Share capital	23	101	109
Revenue reserves		52,799,206	51,967,441
Pension reserves		(70,000)	265,000
		<u>52,729,307</u>	<u>52,232,550</u>

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 4/9/2025

Committee Member

Committee Member

Secretary

The notes on pages 21 to 46 form an integral part of these financial statements.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025	2024
		£	£
Surplus for the Year		770,765	(260,610)
<i>Adjustments for non-cash items:</i>			
Depreciation of tangible fixed assets	12	4,442,598	3,745,855
Amortisation of intangible assets	12	110,068	126,508
Reversal of impairment	12	-	(202,267)
Amortisation of capital grants	22	(2,368,016)	(2,407,128)
Release of negative goodwill	14	(111,000)	(111,000)
Non-cash adjustments to pension provisions		61,000	-
Share capital written off	23	(16)	(134)
		<u>2,134,634</u>	<u>1,151,834</u>
Interest payable	8	431,304	702,684
		<u>2,565,968</u>	<u>1,854,518</u>
Operating cash flows before movements in working capital		3,336,703	1,593,908
Change in stock		806	-
Change in debtors		1,069,165	(80,987)
Change in creditors		(1,431,205)	1,013,977
		<u>(361,234)</u>	<u>932,990</u>
Net cash inflow from operating activities		2,975,469	2,526,898
Investing Activities			
Acquisition and construction of properties		(4,327,709)	(7,207,735)
Purchase of Intangible Fixed Assets		(60,647)	-
Purchase of other fixed assets		(35,283)	(85,628)
Social housing grant received		2,989,316	2,420,087
Social housing grant repaid		(297,245)	(221,897)
Other grants repaid		(3,376,183)	-
Proceeds on disposal of housing properties		4,659,654	502,573
Proceeds on disposal of other tangible assets		-	5,611
		<u>(448,097)</u>	<u>(4,586,989)</u>
Net cash outflow from investing activities		(448,097)	(4,586,989)
Financing Activities			
Interest paid on loans		(431,304)	(702,684)
Loan principal repayments		(132,251)	859,353
Share capital issued	23	8	3
		<u>(563,547)</u>	<u>156,672</u>
Net cash (outflow) / inflow from financing activities		(563,547)	156,672
Increase/(decrease) in cash	24	1,963,825	(1,903,419)
Opening cash & cash equivalents		3,144,880	5,048,299
Closing cash & cash equivalents		<u>5,108,705</u>	<u>3,144,880</u>
Cash and cash equivalents as at 31 March			
Cash	24	5,108,705	3,144,880
		<u>5,108,705</u>	<u>3,144,880</u>

The notes on pages 21 to 46 form an integral part of these financial statements.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2025

	Share Capital £	Strathclyde Pension Reserve £	Scottish Housing Association Pension Reserve £	Revenue Reserve £	Total £
Balance as at 1 April 2023 As Restated	240	-	(191,000)	49,949,945	49,759,185
Issue of Shares	3	-	-	-	3
Cancellation of Shares	(134)	-	-	-	(134)
Other comprehensive income	-	721,000	(265,000)	-	456,000
Surplus for the year	-	-	-	2,017,496	2,017,496
Balance as at 31 March 2024	109	721,000	(456,000)	51,967,441	52,232,550
Balance as at 1 April 2024 As Restated	109	721,000	(456,000)	51,967,441	52,232,550
Issue of Shares	8	-	-	-	8
Cancellation of Shares	(16)	-	-	-	(16)
Other comprehensive income	-	(325,000)	51,000	-	(274,000)
Other movements	-	(39,000)	(22,000)	61,000	-
Surplus for the year	-	-	-	770,765	770,765
Balance as at 31 March 2025	101	357,000	(427,000)	52,799,206	55,007,413

The notes on pages 21 to 46 form an integral part of these financial statements.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

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 2019. They comply with the Determination of Accounting Requirements 2024. A summary of the principal accounting policies is set out below

Revenue

Revenue comprises rental and service charge income receivable in the period, income from shared ownership first tranche sales, sales of properties built for sale, other services provided, revenue grants receivable and government grants released to income in the period.

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 they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

Retirement Benefits

The Association participates in the Strathclyde Pension Fund a multi-employer defined benefit scheme. 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 previously participated in the Scottish Housing Association Pension Scheme (SHAPS) a multi-employer defined benefit 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 moved to the SHAPS defined contribution scheme on leaving the defined benefit scheme. A number of members of the Association's staff are also members of a Defined Contribution Pension Scheme administered by Scottish Widows. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

A pension scheme liability is recognised in the Statement of Financial Position to the extent that the company has a legal or constructive obligation to settle the liability whilst a pension scheme asset is recognised only to the extent that the surplus may be recovered by reduced future contributions. In the event that the pension scheme reports a surplus of net assets over net liabilities, the actuary is commissioned to calculate the asset ceiling that restricts the level of surplus recognised to that which may be recovered by reduced future contributions.

Going Concern

On the basis that the Management Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, the Association has adopted the going concern basis of accounting in preparing these financial statements.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Housing Properties

Housing properties are held for the provision of social housing. Housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes acquisition of land and buildings and development cost. The Association depreciates housing properties over the useful life of each major component. Housing under construction and land are not depreciated.

<i>Component</i>	<i>Useful Economic Life</i>
Windows	30 years
Kitchen	15 years
Bathroom	20 years
Central Heating	20 years
Boilers	15 years
Rewiring	25 years
Lift Installation	25 years
Structure	50 years
CCTV	10 years

Depreciation and Impairment of Other Tangible Assets

Non-current assets are stated at cost less accumulated depreciation. Depreciation is charged over the expected economic useful lives of the assets at the following annual rates:

<i>Asset Category</i>	<i>Depreciation Rate</i>
Office Premises	2%
Furniture and Fittings	33%
Computer & Office Equipment	20%-33%
Motor vehicles	20%

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

Social Housing Grants and Other Capital Grants

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 they relate.

Social housing grant attributed to individual components is written off to the statement of comprehensive income when these components are replaced.

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

Disposals under shared equity schemes are accounted for in the statement of comprehensive income. Unsold shared equity properties are included within current assets net of grant received.

Taxation

The Association is a Registered Scottish Charity and is not liable to taxation on its charitable activities.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Leases

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 or the term of the lease whichever is shorter.

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, a material reduction in future maintenance costs, or a significant extension of the life of the property.

Capitalisation Of Development Overheads

Directly attributable development administration costs relating to ongoing development activities are capitalised.

Borrowing Costs

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme. All other borrowing costs are expensed to the statement of comprehensive income using the effective interest rate method.

Property Development Cost

The proportion of the development cost of shared ownership properties expected to be disposed of as a first tranche sale is held in current assets until it is disposed of. The remaining part of the development cost is treated as a non-current asset. Surpluses made on the disposal of first tranche sales are taken to the Statement of Comprehensive Income.

Property developments that are intended for resale are included in current assets until disposal.

Negative Goodwill

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

VAT

The Association is VAT registered but the substantial proportion of its income is exempt for VAT purposes. As a result most of the VAT paid is not recovered and therefore expenditure is shown inclusive of VAT.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

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.

The Association's debt instruments are measured at amortised cost using the effective interest rate method.

Cash and Liquid Resources

Cash comprises cash at bank and in hand, deposits repayable on demand less overdrafts. Liquid resources are current asset investments that can't be disposed of without penalty and are readily convertible into amounts of cash at their carrying value.

Impairment

The Association assesses at the end of each accounting period whether there are indications that a non-current asset may be impaired or that an impairment loss previously recognised has fully or partially reversed.

Where the carrying value of non-current assets is less than their recoverable amounts the shortfall is recognised as an impairment loss in the Statement of Comprehensive Income. The recoverable amount is the higher of the fair value less costs to sell and value-in-use of the asset based on its service potential.

Impairment losses previously recognised are reversed if the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Key Judgements and estimates made in the application of Accounting Policies

The preparation of financial statements requires the use of certain accounting judgements and accounting estimates. It also requires the Association to exercise judgement in applying its 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.

Key Judgements

a) Categorisation of Housing Properties

In the judgement of the Management Committee 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 107.

b) Identification of cash generating units

The Management Committee considers its cash-generating units to be the schemes in which it manages its housing property for asset management purposes.

c) Financial instrument break clauses

The Management Committee has considered the break clauses attached to the financial instruments that it has in place for its loan funding. In their judgement these break clauses do not cause the financial instrument to be classified as a complex financial instrument and therefore they meet the definition of a basic financial instrument.

d) Pension Liability

The Association participated in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. The Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method. Judgements relating to the benefits issue are included in Note 30.

Where a pension scheme asset is recognised, it is based on the actuary's calculation of the asset ceiling that restricts the level of surplus that should be recognised. The actuary's estimate considers the entity's future service costs, future estimated employer contributions and the funding time horizon.

e) Going Concern

The Association's main lender's credit committee approved the extension of the loan facility in August 2025. The Association expects to complete the refinance in the coming weeks. The going concern assertion is based on the judgment that the new loan refinancing will be finalised.

Estimation Uncertainty

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) Costs of shared ownership

The Association allocates costs to shared ownership properties on an percentage basis split across the number of properties the Association owns.

e) Defined pension liability

In 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.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

		2025			2024 As Restated		
	Notes	Turnover £	Operating costs £	Operating surplus / (deficit) £	Turnover £	Operating costs £	Operating surplus / (deficit) £
Affordable letting activities	3	16,902,992	15,888,710	1,014,282	15,506,976	15,667,239	(160,263)
Other Activities	4	1,834,812	1,443,377	391,435	2,455,018	2,586,015	(130,997)
Total		18,737,804	17,332,087	1,405,717	17,961,994	18,253,254	(291,260)

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Supported Housing £	Shared Ownership £	2025 Total £	As Restated 2024 Total £
Revenue from Lettings					
Rent receivable net of service charges	13,248,454	553,241	78,684	13,880,379	12,695,940
Service charges receivable	212,421	19,154	3,584	235,159	403,486
Gross income from rent and service charges	13,460,875	572,395	82,268	14,115,538	13,099,426
Less: Rent losses from voids	70,465	4,662	771	75,898	(67,546)
Income from rents and service charges	13,390,410	567,733	81,497	14,039,640	13,166,972
Grants released from deferred income	2,665,261	-	-	2,665,261	2,340,004
Revenue grants from Scottish Ministers	134,091	-	-	134,091	-
Other revenue grants	64,000	-	-	64,000	-
Total turnover from affordable letting activities	16,253,762	567,733	81,497	16,902,992	15,506,976
Expenditure on affordable letting activities					
Management and maintenance administration	5,459,995	-	-	5,459,995	5,289,725
Service costs	1,543,317	3,553	5,441	1,552,311	2,062,573
Planned and cyclical maintenance, including major repairs	1,712,605	3,667	-	1,716,272	1,846,679
Reactive maintenance costs	2,678,639	75,882	7,567	2,762,088	2,523,197
Bad Debts - rents and service charges	47,376	-	-	47,376	133,525
Depreciation of affordable let properties	4,350,668	-	-	4,350,668	3,811,540
Operating costs of affordable letting activities	15,792,600	83,102	13,008	15,888,710	15,667,239
Operating surplus on affordable letting activities	461,162	484,631	68,489	1,014,282	(160,263)
2024	(693,879)	458,507	75,109		

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2025	Operating surplus / (deficit) 2024
	£	£	£	£	£	£	£	£	£
Wider role activities	-	-	-	43,481	43,481	-	103,350	(59,869)	(22,488)
Care and repair	-	-	460,061	-	460,061	-	345,773	114,288	105,820
Factoring	-	-	-	788,895	788,895	-	551,064	237,831	-
Support activities	-	-	-	141,438	141,438	-	108,535	32,903	(110,084)
Welfare	-	-	-	181,848	181,848	-	334,655	(152,807)	-
Subsidiary	-	-	-	30,247	30,247	-	-	30,247	113,442
Energy	-	-	-	126,888	126,888	-	-	126,888	-
Other	-	-	-	-	-	-	-	-	(127,645)
Commercial Leases	-	-	-	61,954	61,954	-	-	61,954	136,357
Development Costs	-	-	-	-	-	-	-	-	(226,399)
Total From Other Activities	-	-	460,061	1,374,751	1,834,812	-	1,443,377	391,435	(130,997)
2024	-	1,672,542	444,386	338,090	2,455,018	-	2,586,015	(130,997)	

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS

	2025	2024
	£	£
Societies Act 2014 as the members of the Management Committee, managers and employees of the Association. Emoluments includes social		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	299,940	223,827
Pension contributions made on behalf on Officers with emoluments greater than £60,000	84,176	51,084
Emoluments payable to Directors during the year (excluding pension contrib	83,734	83,182
Pension contributions paid on behalf of Directors	27,959	21,561
Total emoluments payable to Directors	111,693	104,743
Total emoluments paid to key management personnel	678,648	454,223

The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-

	Number	Number
£60,001 to £70,000	3	-
£70,001 to £80,000	1	1
£80,001 to £90,000	2	2
£90,001 to £100,000	1	1
£100,001 to £110,000	-	-
£110,001 to £120,000	1	-

6. EMPLOYEE INFORMATION

	2025	2024
	No.	No.
Average monthly number of full time equivalent persons employed during	92	101
Average total number of employees employed during the year	106	112
Staff costs were:	£	£
Wages and salaries	3,374,447	3,269,406
National insurance costs	331,458	315,328
Pension costs	624,737	634,907
	4,330,642	4,219,641

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

7. (LOSS) / GAIN ON SALE OF HOUSING STOCK

	2025	As Restated 2024
	£	£
Sales proceeds	70,490	3,547,456
Cost of sales	396,138	751,018
(Loss) / Gain on sale of housing stock	(325,648)	2,796,438

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2025	2024
	£	£
On bank loans and overdrafts	559,875	659,898
Non-utilisation fees	69,425	42,786
	629,300	702,684
Less: Interest Capitalised on developments	(197,996)	-
	431,304	702,684

9. SURPLUS FOR THE YEAR

	2025	2024
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	4,442,597	3,745,854
Reversal of Impairment on other fixed assets	-	(202,267)
Auditors' remuneration - audit services	45,186	27,628
Operating lease rentals - other	6,603	8,444

10. CORPORATION TAX

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)

	2025	2024
	£	£
Net interest on pension obligations	11,000	104,000

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

12. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
COST				
At 1 April 2024 as restated	167,792,583	23,159,286	4,158,894	195,110,763
Additions	1,546,447	2,398,151	-	3,944,598
Disposals	(509,704)	-	(19,725)	(529,429)
Transfers	13,800,050	(13,800,050)	-	-
Transferred to Shared Equity		(4,277,316)		(4,277,316)
At 31 March 2025	<u>182,629,376</u>	<u>7,480,071</u>	<u>4,139,169</u>	<u>194,248,616</u>
DEPRECIATION				
At 1 April 2024 as restated	51,982,305	-	989,105	52,971,410
Charge for Year	4,318,579	-	28,963	4,347,542
Disposals	(136,026)	-	(11,065)	(147,091)
At 31 March 2025	<u>56,164,858</u>	<u>-</u>	<u>1,007,003</u>	<u>57,171,861</u>
NET BOOK VALUE				
At 31 March 2025	<u>126,464,518</u>	<u>7,480,071</u>	<u>3,132,166</u>	<u>137,076,755</u>
At 31 March 2024	<u>115,810,278</u>	<u>23,159,286</u>	<u>3,169,789</u>	<u>142,139,353</u>

	2025		2024	
Expenditure on Existing Properties	Component replacement £	Improvement £	Component replacement £	Improvement £
Amounts capitalised	1,546,447	-	3,291,094	-
Amounts charged to the statement of comprehensive income	-	4,478,360	-	4,369,876

All land and housing properties are heritable.

Additions to housing properties include capitalised development administration costs of £197,996 (2024-£Nil)

The Association's lenders have standard securities over housing property with a carry value of £26,636,368 (2024 - £24,735,876)

The depreciation charge on housing properties as shown above differs from that per Note 3 due to accelerated depreciation on component replacements.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

12. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Motor Vehicles £	Commerical Property £	Total £
COST					
At 1 April 2024	2,732,656	175,057	195,710	425,552	3,528,975
Additions	-	35,283	-	-	35,283
At 31 March 2025	2,732,656	210,340	195,710	425,552	3,564,258
DEPRECIATION					
At 1 April 2024	1,117,655	139,382	106,263	208,772	1,572,072
Charge for year	49,813	18,010	18,731	8,501	95,055
At 31 March 2025	1,167,468	157,392	124,994	217,273	1,667,127
NET BOOK VALUE					
At 31 March 2025	1,565,188	52,948	70,716	208,279	1,897,131
At 31 March 2024	1,615,001	35,675	89,447	216,780	1,956,903

12. (c) Intangible assets

	Website & Software £	Total £
COST		
At 1 April 2024	632,990	632,990
Additions	60,647	60,647
At 31 March 2025	693,637	693,637
AMORTISATION		
At 1 April 2024	418,855	418,855
Charge for year	110,068	110,068
At 31 March 2025	528,923	528,923
NET BOOK VALUE		
At 31 March 2025	164,714	164,714
At 31 March 2024	214,135	214,135

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

13. FIXED ASSET INVESTMENTS

	2025	2024
	£	£
Subsidiary undertakings	1	1

Southside Housing Association Limited has the following wholly owned subsidiary undertakings. The registered office of the subsidiary is ,135 Fifty Pitches Road,Glasgow.

		2025 Unaudited	Profit / (Loss)	2024 Audited	Profit / (Loss)
	Share Capital	Reserves £	£	Reserves £	£
Southside Lettings (Scotland) Ltd	100%	124,672	55,558	69,114	12,306

14. NEGATIVE GOODWILL

	2025	2024
	£	£
At 1 April 2024	4,109,824	4,220,824
Released during the year to the statement of comprehensive income	(111,000)	(111,000)
At 31 March 2025	3,998,824	4,109,824

15. RECEIVABLES

	2025	As Restated 2024
	£	£
Gross arrears of rent and service charges	1,116,557	1,897,460
Less: Provision for doubtful debts	(585,996)	(743,687)
<i>Net arrears of rent and service charges</i>	530,561	1,153,773
Other receivables	879,544	737,047
Amounts due from group undertaking	-	588,450
	1,410,105	2,479,270

16. OTHER CURRENT ASSETS

	2025	2024
	£	£
Stock of maintenance materials	-	806
	-	806

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. CASH AND CASH EQUIVALENTS

	2025	2024
	£	£
Cash at bank and in hand	5,108,705	3,144,880

18. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	As Restated 2024
	£	£
Bank loans	9,199,378	217,579
Trade payables	706,389	1,543,360
Rent received in advance	590,539	1,264,288
Social housing grant in advance	2,158,891	1,251,821
Other taxation and social security	91,990	95,200
Amounts due to group undertakings	119,546	-
Other payables	629,369	952,325
Accruals and deferred income	1,031,937	1,128,912
	14,528,039	6,453,485

19. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025	2024
	£	£
Bank loans	782,392	9,896,442
	782,392	9,896,442

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

20. DEBT ANALYSIS - BORROWINGS			
		2025	2024
		£	£
Bank Loans			
Amounts due within one year		9,199,378	222,587
Amounts due in one year or more but less than two years		198,578	9,222,587
Amounts due in two years or more but less than five years		484,064	609,641
Amounts due in more than five years		99,749	280,981
		<u>9,981,769</u>	<u>10,335,796</u>

The Association has a number of bank loans the principal terms of which are as follows:

Lender	Number of Properties Secured	Interest Rate	Maturity (Year)	Variable or Fixed
Bank of Scotland	26	BOE + 0.3%	2029	Variable
Nationwide Building Society	150	BOE + 0.4%	2034	Variable
Nationwide Building Society	82	BOE + 0.4%	2038	Variable
Handelsbanken	759	SONIA + 1.1%	2026	Variable

BOE means the Bank of England Base Rate. SONIA means the Sterling Overnight Index Average.

The Bank of Scotland and Nationwide bank loans are repayable on a monthly basis with the principal being amortised over the term of the loans.

The Handelsbanken loan is repayable in three months from drawdown but can be extended by the Association every three months up to the maturity date. The intention of the Association is for it to not be repayable until the maturity date and that is the date that is shown in the above maturity analysis.

In accordance with FRS 102 the Association's bank borrowings are valued at amortised cost using the effective interest rate method.

	2025	2024
	£	£
Due to lenders At 31 March 2025	10,193,529	10,335,796
Effective interest rate adjustment	(211,760)	(221,775)
	<u>9,981,769</u>	<u>10,114,021</u>

On 29 August 2025, Handelsbanken's credit committee approved the five year extension of the revolving credit facility. The Association expects to complete the extension in the coming weeks.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

Southside Housing Association Limited previously participated in the Scottish Housing Association 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 Association moved to a defined contribution scheme but has a net liability for the past service deficit in the defined benefit scheme.

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 pensions schemes in the UK.

The last triennial valuation of the Scheme was performed as at 30 September 2024 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £689.8m. The valuation revealed a shortfall of assets compared with the value of liabilities of £79.5m (equivalent to a past service funding level of 90%). A recovery plan is being put in place to eliminate the past service deficit from 1 April 2026 to 31 March 2030 for the majority of employers.

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 reapportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

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

	2025	2024	2023
	£	£	£
Fair value of plan assets	2,965,000	3,294,000	3,361,000
Present value of defined benefit obligation	3,392,000	3,750,000	3,552,000
Surplus / (deficit) in plan	(427,000)	(456,000)	(191,000)
Unrecognised surplus	-	-	-
Defined benefit asset / (liability) to be recognised	(427,000)	(456,000)	(191,000)

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2025	2024
	£	£
Defined benefit obligation at the start of period	3,750,000	3,552,000
Expenses	5,000	5,000
Interest expense	181,000	171,000
Actuarial losses (gains) due to scheme experience	(94,000)	155,000
Actuarial losses (gains) due to changes in demographic assumptions	-	(22,000)
Actuarial losses (gains) due to changes in financial assumptions	(356,000)	-
Benefits paid and expenses	(94,000)	(111,000)
Defined benefit obligation at the end of period	3,392,000	3,750,000

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

	2025	2024
	£	£
Fair value of plan assets at start of period	3,294,000	3,361,000
Interest income	159,000	162,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(399,000)	(123,000)
Contributions by the employer	5,000	5,000
Benefits paid and expenses	(94,000)	(111,000)
Fair value of plan assets at the end of period	2,965,000	3,294,000

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 was (£240,000).

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2025	2024
	£	£
Expenses	5,000	5,000
Net interest expense	22,000	9,000
	<u>27,000</u>	<u>14,000</u>
Defined benefit costs recognised in statement of comprehensive income	27,000	14,000

Defined benefit costs recognised in the other comprehensive income

	2025	2024
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	(399,000)	(123,000)
Experience gains and losses arising on plan liabilities - gain /(loss)	94,000	(155,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	-	22,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	356,000	-
	<u>51,000</u>	<u>(256,000)</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	51,000	(256,000)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain / (loss)	-	-
	<u>51,000</u>	<u>(256,000)</u>
Total amount recognised in other comprehensive income - gain (loss)	51,000	(256,000)

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2025	2024	2023
	£	£	£
Absolute Return	-	148,000	46,000
Alternative Risk Premia	-	119,000	19,000
Liquid Alternatives	546,000	-	-
Corporate Bond Fund	-	-	4,000
Credit Relative Value	-	116,000	128,000
Distressed Opportunities	-	121,000	103,000
Emerging Markets Debt	-	58,000	26,000
Global Equity	343,000	379,000	89,000
Currency Hedging	5,000	(1,000)	6,000
Infrastructure	1,000	315,000	362,000
Insurance-Linked Securities	11,000	20,000	94,000
Liability Driven Investment	834,000	1,191,000	1,423,000
Long Lease Property	1,000	24,000	113,000
Net Current Assets	4,000	4,000	8,000
Opportunistic Illiquid Credit	-	131,000	149,000
Private Credit	370,000	-	-
Private Debt	-	133,000	150,000
Property	147,000	139,000	140,000
Risk Sharing	-	198,000	245,000
Secured Income	68,000	110,000	225,000
Cash	16,000	85,000	14,000
Private Equity	3,000	3,000	-
Real Assets	354,000	-	-
High Yield	-	1,000	17,000
Credit	126,000	-	-
Investment Grade Credit	136,000	-	-
Total assets	2,965,000	3,294,000	3,361,000

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

Key Assumptions

	2025	2024	2023
Discount Rate	5.77%	4.89%	4.88%
Inflation (RPI)	3.11%	3.17%	3.20%
Inflation (CPI)	2.78%	2.77%	2.74%
Salary Growth	3.78%	3.77%	3.74%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance		

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 years (years)
Male retiring in 2025	20.2
Female retiring in 2025	22.7
Male retiring in 2045	21.5
Female retiring in 2045	24.2

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme Defined Benefit

Pension Fund Defined Benefit Scheme, the assets of which are held in a separate trustee administered fund.

The administering authority has responsibility for the management of the Fund. As most of the Fund's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the fund's assets. In order to mitigate this risk, the Fund holds a diverse investment portfolio with a range of investment managers.

The following figures are prepared by the Actuaries in accordance with their understanding of FRS 102 and Guidance Note 36: Accounting for Retirement Benefits under FRS 102 issued by the Institute and Faculty of Actuaries.

Principal Actuarial Assumptions

Assumptions as at 31 March	2025	2024	2023
	%p.a.	%p.a.	%p.a.
Pension Increase Rate (CPI)	2.80	2.80	2.95
Salary Increase Rate	3.50	3.50	3.65
Discount Rate	5.80	4.80	4.75

Members of the Scheme

	2025	2024
	No	No
Employee members	14	14
Deferred pensioners	3	3
Pensioners	11	11
	<u>28</u>	<u>28</u>

Expected Return on Assets

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period as follows:

Asset Class	2025	2024	2023
	% p.a.	% p.a.	% p.a.
Equities	60%	58%	60%
Bonds	23%	27%	28%
Property	9%	10%	10%
Cash	8%	5%	2%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

Mortality Rates

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and 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 are summarised below:

	Males (Years)	Females (Years)
Current Pensioners	20.2	22.7
Future Pensioners	18.7	24.3

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme Defined Benefit Scheme (continued)

Fair value of scheme assets by category

	2025	2024
	%	%
Equities	60%	58%
Bonds	23%	27%
Property	9%	10%
Cash	8%	5%
	<u>100%</u>	<u>100%</u>

Net Pension Liability

	2025	2024	2023
	£	£	£
Fair value of employer's assets	7,568,000	7,490,000	7,106,000
Present value of scheme liabilities	(4,291,000)	(4,929,000)	(4,544,000)
Surplus / (deficit) in plan	3,277,000	2,561,000	2,562,000
Unrecognised surplus	(2,920,000)	(1,840,000)	2,562,000
Defined benefit asset / (liability) to be recognised	<u>357,000</u>	<u>721,000</u>	<u>-</u>

Reconciliation of fair value of employer assets

	2025	2024	2023
	£	£	£
Opening fair value of employer assets	7,490,000	7,106,000	7,183,000
Expected return on assets	355,000	339,000	194,000
Contributions by members	23,000	27,000	33,000
Contributions by the employer	13,000	131,000	131,000
Contributions in respect of unfunded benefits	-	-	-
Actuarial gains / (losses)	(93,000)	364,000	(307,000)
Other experience	-	(334,000)	-
Estimated benefits paid	(220,000)	(143,000)	(128,000)
	<u>7,568,000</u>	<u>7,490,000</u>	<u>7,106,000</u>

Reconciliation of defined benefit obligations

	2025	2024	2023
	£	£	£
Opening defined benefit obligation	4,929,000	4,544,000	6,586,000
Current service cost	85,000	98,000	187,000
Interest cost	234,000	216,000	179,000
Contributions by members	23,000	27,000	33,000
Actuarial gains / (losses)	(760,000)	187,000	(2,313,000)
Past service costs	-	-	-
Estimated benefits paid	(220,000)	(143,000)	(128,000)
	<u>4,291,000</u>	<u>4,929,000</u>	<u>4,544,000</u>

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme Defined Benefit Scheme (continued)

Analysis of amount charged to the statement of comprehensive income

	2025 £	2024 £	2023 £
Charged to operating costs:			
Service cost	85,000	98,000	187,000
	<u>85,000</u>	<u>98,000</u>	<u>187,000</u>
Charged to other finance costs / (income)			
Expected return on employer assets	(355,000)	(339,000)	(194,000)
Interest on pension scheme liabilities	234,000	216,000	179,000
	<u>(121,000)</u>	<u>(123,000)</u>	<u>(15,000)</u>
Net charge to the statement of comprehensive income	(36,000)	(25,000)	172,000

Actuarial gain / (loss) recognised in other comprehensive income

	2025 £	2024 £	2023 £
Actuarial gain/(loss) recognised in year	2,595,000	(157,000)	2,006,000
Movement on restriction on surplus	2,556,000	722,000	(1,965,000)
Cumulative actuarial gains recognised	<u>3,416,000</u>	<u>2,855,000</u>	<u>2,290,000</u>

Analysis of projected amount to be charged to the statement of comprehensive income for the year ended 31 March 2026

	£	% of pay
Projected current service cost	66,000	0%
Interest on obligation	247,000	0%
Expected return on plan assets	(436,000)	0%
	<u>(123,000)</u>	<u>0%</u>

Contributions made by the Association for the year ended 31 March 2026 are estimated to be approximately £25,000.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

22. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
Capital grants			
At 1 April 2024	77,429,432	78,615	77,508,047
Additions in the year	2,082,246	-	2,082,246
Eliminated on disposal	(297,245)	-	(297,245)
Amortisation	(2,368,016)	-	(2,368,016)
HAG on Shared Equity Properties - Transferred out	(3,376,183)		(3,376,183)
At 31 March 2025	<u>73,470,234</u>	<u>78,615</u>	<u>73,548,849</u>
Total at 31 March 2025	<u>73,470,234</u>	<u>78,615</u>	<u>73,548,849</u>
Total at 31 March 2024	<u>77,429,432</u>	<u>78,615</u>	<u>77,508,047</u>

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

	2025 £	2024 £
Amounts due within one year	2,368,016	2,407,128
Amounts due in more than one year	<u>71,180,833</u>	<u>75,100,919</u>
	<u>73,548,849</u>	<u>77,508,047</u>

23. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2025 £	2024 £
At 1 April	109	240
Issued in year	8	3
Cancelled in year	<u>(16)</u>	<u>(134)</u>
At 31 March	<u>101</u>	<u>109</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.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

24. CASH FLOWS

Reconciliation of net cash flow to movement in net debt

	2025		2024	
	£	£	£	£
Increase / (decrease) in cash	1,963,825	(1,903,419)		
Cashflow from change in net debt	132,251	(859,353)		
Movement in net debt during the year		2,096,076		(2,762,772)
Net debt at 1 April		(6,969,141)		(4,206,369)
Net debt at 31 March		(4,873,065)		(6,969,141)

<i>Analysis of changes in net debt</i>	<i>At</i> <i>01 April 2024</i>	<i>Cashflows</i>	<i>Other</i> <i>Changes</i>	<i>At</i> <i>31 March 2025</i>
	£	£	£	£
Cash and cash equivalents	3,144,880	1,963,825	-	5,108,705
	3,144,880	1,963,825	-	5,108,705
Debt: Due within one year	(217,579)	132,251	(9,114,050)	(9,199,378)
Due after more than one year	(9,896,442)	-	9,114,050	(782,392)
Net debt	(6,969,141)	2,096,076	-	(4,873,065)

25. CAPITAL COMMITMENTS

	2025	2024
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	10,649,950	8,788,952

The above commitments will be financed by a mixture of public grant, private finance and the Association's own resources.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

26. COMMITMENTS UNDER OPERATING LEASES

	2025	2024
	£	£
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
Other		
Expiring in the next year	4,891	4,459
Expiring later than one year and not later than five years	9,803	9,480

27. 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 135 Fifty Pitches Road, Glasgow, G51 4EB .

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in South Glasgow, Cardonald, Pollokshields, Halfway, Govanhill, Penilee.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2025 No.	2024 No.
General needs	2,432	2,416
Supported housing	32	46
Shared ownership	32	34
	<u>2,496</u>	<u>2,496</u>

29. RELATED PARTY TRANSACTIONS

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

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

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

	2025 £	2024 £
Rent received from tenants on the Management Committee and their close family members	<u>14,984</u>	<u>19,319</u>
Factoring charges received from factored owners on the Management Committee and their close family members	<u>729</u>	<u>2,809</u>

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £916 (2024 - £301).

At the year end total factoring arrears owed by owner occupiers on the Management Committee (and their close family) were £148 (2024 - £148).

Members of the Management Committee who are tenants	1	4
Members of the Management Committee who are owner occupiers	3	3

30 CONTINGENT LIABILITY

We have been notified by the Trustee of the Pension Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until the Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 PRIOR YEAR ADJUSTMENT

The Association previously treated the insurance claim and rebuild of the properties at McCulloch Street as revenue. In the current year the accounting treatment has altered to treat the fire damaged property as a disposal with the proceeds going towards the gain on disposal. The new build costs have been capitalised within housing property. This has resulted in a gain in the previous year of £2,278,106 and a corresponding increase in assets.

During the previous year the Association reviewed its deferred grants and identified number of items were being amortised at the incorrect rates. The Association has revised its amortisation for 2022/23 leading to an increase in surplus and net assets of £623,246. There has also been a correction of the split between Housing Properties under Construction and Housing Properties Held for Letting. This does not impact surplus or net assets.

Alexander Sloan LLP
180 St Vincent Street
Glasgow
G2 5SG

4/9/2025

Dear Sirs

We confirm that the following representations are made based on enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you in connection with your audit of the Association's financial statements for the year ended 31 March 2025.

Accounting Records and Transactions

1. We acknowledge as Committee Members our responsibilities under the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Scottish Housing Regulator Determination of Accounting Requirements 2024 for preparing Financial Statements which give a true and fair view and for making accurate representations to you. All the accounting records have been made available to you for your audit and all the transactions undertaken by the Association have been properly reflected and recorded in the accounting records. All other records and related information, including Minutes of all Management Committee meetings, have been made available to you.
2. The financial statements are free of material misstatements, including omissions.
3. We confirm that we have approved all year end adjustments processed during the preparation of the financial statements. These are included in Appendix 1.
4. We believe that the effect of uncorrected misstatements (as set out in the appendix) is immaterial both individually and in total.

Internal Control and Fraud

5. We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect fraud and error. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.
6. We have not identified any areas of material non-compliance with standards of governance and financial management, relevant standards and outcomes in the Scottish Social Housing Charter, regulatory requirements or our performance of regulatory duties.

Assets and Liabilities

7. The Association has satisfactory title to all assets and there are no liens or encumbrances on the Association's assets, except for those that are disclosed in the notes to the financial statements.
8. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the notes to the financial statements all guarantees that we have given to third parties.
9. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

10. We confirm that the reallocation of HAG and Cost of properties between projects in this years accounts provides a more accurate split between projects.
11. We confirm that the capitalised admin staff time reflects the time actually spent by staff on the project.
12. Commercial properties are rented out based on social value and therefore it is appropriate to value these properties at depreciated cost as opposed to market value.
13. We are not aware of any failure to meet loan covenants during the year and the Association has not received any correspondence from any of our lenders to this effect.
14. The Association intends to continue to roll over the drawn down on the Handelsbanken loan until maturity of the loan.
15. The Association will continue to use Southside Lettings Limited (SLL) for the next 12 months and will extend the leases on properties used by SLL. No changes to the contract with SLL are planned that will impact SLL ability to continue as a going concern.

Accounting Estimates

16. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

Loans and Arrangements

17. The Association has not granted any advances or credits to, or made guarantees on behalf of, directors.

Legal Claims

18. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.
19. We can confirm that we do not have any present legal obligations to replace the cladding on our housing stock.

Laws and Regulations

20. There are no instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related Parties

21. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure to comply with the requirements of law, regulation or accounting standards.

Subsequent Events

22. All events after the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going Concern

23. We believe that the Association's financial statements should be prepared on a going concern basis because current and future sources of funding or support will be more than adequate for the Association's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the Association's ability to continue as a going concern need to be made in the financial statements.

Pension Schemes

24. The Association has no plans to leave the Scottish Housing Association Pension Scheme. The Association is considering its options for the Strathclyde Pension Scheme but at the date of signing has no commitment and has not made the final decision.
25. We believe that the method adopted by the Pension Trust for calculating the Association's share of assets and liabilities is appropriate and should be included in the financial statements.
26. We have agreed the actuarial assumptions, used for the final salary scheme pension liability, as being reasonable. This includes the future salary increase assumption which is in line with the organisation's future plans.
27. TPT informed us in May 2022 of an issue relating to changes that were made to member benefits of the pension scheme. The outcome is uncertain and we therefore believe that a contingent liability should be included in the financial statements. We are unable to accurately estimate our share of any additional liabilities arising from this issue at 31 March 2025. have provided you with all information that we have received in relation to this matter.
28. We believe that a pension asset should be included for the Strathclyde Pension Scheme due to the decrease in pension contributions. We agree with the approach taken by the Hymans Robertson Asset Ceiling Considerations paper in calculating the asset.

Share Capital

29. We confirm that all Committee Members have been properly elected in line with Regulatory requirements, including the payment of £1 in share capital.

Yours faithfully

Signed on behalf of the Management Committee on 4/9/2025

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Appendix 1: Journals
Auditor Journals for adjustments

	Dr	Cr	Explanation
1 Amounts due from group undertakings Amounts due to group undertakings	145,000.00	145,000.00	Correction of split
2 Opening share capital Shares issued in year Shares cancelled in the year	131.00 3.00	134.00	Split of shares
3 Housing Properties held of letting Housing Properties held of letting Housing Properties held of letting Housing Properties in course of construction Housing Properties in course of construction Housing Properties in course of construction	4,894,714.00 4,520,621.00 4,520,621.00	418.00 4,520,621.00 616,979.00 4,277,316.00	Correction of split net of opening correction
4 Shared Equity Other Payable	2,871,494.00	2,871,494.00	Being reallocation of shared equity from Other Payable
5 HAG Disposals Release of Deferred Grants Cost of Disposal Proceeds of Disposal Depreciation Repairs	66,019.00 719,853.00	301,734.00 241,319.00 217,420.00 25,399.00	- HAG disposal was amortisation rather than net figure- correction
6 Release of deferred grant Deferred grants- amortisation	128,682.00	128,682.00	Being over amortisation
7 HAG Disposals Shared Equity	3,376,183.00	3,376,183.00	Being HAG on shared equity
8 Shared Equity Management Interest Creditors	504,689.00	57,431.00 197,996.00 249,262.00	Being shared equity costs per client
9 Rent Arrears Rent Prepaid	941,989.00	941,989.00	Correction of rent split

10 Loans due within one year Loans due after one year	203,578.00	203,578.00	Correction of loan split
11 Profit and Loss Reserve Pension Reserve Management and Admin	455,995.00 5.00	456,000.00	Being correction of reserve split
12 Revenue grants from Scottish ministers Management and Maintenance Admin Costs Reactive Maintenance costs Developments and improvements for sale to other organisations Commercial Leases Development Costs Development Costs Other Income Welfare	134,091.00 58,018.00 115,897.00 212,040.00 134,091.00 (143,031.00) 181,848.00 181,848.00	134,091.00 58,018.00 126,888.00	Being correction of other income allocation
13 Housing Properties Housing Properties	1,772,834.00	1,772,834.00	Further reallocation required based on client figures excluding acquisition costs
14 HAG AUC HAG AUC HAG HFL Other Grants	64,000.00 64,000.00	64,000.00 64,000.00	Being GCC funding for decant costs in McCulloch fire
14 Other Expenditure Welfare Wider Role	334,655.00 87,996.00	422,651.00	Being reallocation of other costs
15 Loss on Sale HAG Creditor	206,708.00	206,708.00	HAG Creditor correction
16 Other Debtors Other Creditors	189,025.00	189,025.00	Being reallocation of factoring income
17 Repairs Intercompany	25,455.00	25,455.00	Being invoices paid for by SHA for SLS
PYA Housing Properties held of letting		1,203,906	Being prior year adjustment posted in current year for McCulloch fire damage

Housing Properties held of letting	1,881,614	-	
Housing Properties held of letting	3,348,267	-	
Housing Properties held of letting		1,557,899	
Housing Properties in course of construction	1,203,906	-	
Housing Properties in course of construction		3,348,267	
Housing Properties held of letting		1,881,614	
Housing Properties held of letting	1,557,899	-	
Housing Properties in course of construction	2,144,361	-	
Housing Properties held of letting		2,144,361	
Accruals	746,146	-	
Accruals		746,146	
Opening Balance Adjustment- 2024		2,566,792	
Gain on sale of housing stock	2,890,507	-	
Gain on sale of housing stock		323,715	
HAG Creditor		288,686	
Profit and Loss Reserve	288,686		
PYA 2024 F Gain on sale of housing stock		2,890,507	
Gain on sale of housing stock	323,715		
Housing Properties held of letting		1,881,614	
Housing Properties held of letting	1,557,899		
Housing Properties in course of construction	2,144,361		
Accruals	746,146		
HAG Creditor		288,686	
Gain on sale of housing stock	288,686		
			Being prior year adjustment posted in previous year for McCulloch fire damage
Pension			Being adjustments for actuary's valuation
Management and Maintenance Admin Costs	66,900.00		
Other finance income / (charges) - SHAPS interest inco	17,854.00		
Other finance income / (charges) - LGPS interest income		357,640.00	
Other finance income / (charges) - LGPPS - interest cos	333,884.00		
Actuarial gains / losses on SHAPS		51,000.00	
Actuarial gains / losses on LGPS	325,000.00		
Pension liability - SHAPS	29,000.00		
Pension liability - LGPS		364,000.00	

Appendix 1: Uncorrected Misstatements

	Dr	Cr	Explanation
Loans Due > 1 Year Interest Payable	14660	14660	Correction of the Nationwide Loan Balance for the difference to the bank letter
Interest Payable Loans due < 1 Year	4200	4200	Correction of the Handelsbanken Loan Balance for the difference to the bank letter
Interest Payable Loans due > 1 Year	17355	17355	Correction of the BOS Loan Balance for the difference to the bank letter
Debtors Accruals	85,451.45	85,451.45	Reallocation of Debtor Balances from Accruals to Debtors