



**Alexander Sloan**  
Accountants and Business Advisers

# **Southside Housing Association Limited**

Report and Financial Statements

For the year ended 31 March 2024

Registered Social Landlord No. HCB186

FCA Reference No. 1694R(S)

Scottish Charity No. SC036009

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

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## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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# **SOUTHSIDE HOUSING ASSOCIATION LIMITED**

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## **MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2024**

### **MANAGEMENT COMMITTEE**

Alex Cameron	Chairperson (Appointed 31 <sup>st</sup> August 2023)
Margaret McIntyre	Vice Chairperson (Resigned 31 <sup>st</sup> August 2023)
Jonah Chireka	Secretary (Resigned 31 <sup>st</sup> August 2023)
Iain Dyer	
Surjit Singh Chowdhary	
Betty Macneill	
Munir Choudry	
Alison Devlin	Secretary (Appointed 31 <sup>st</sup> August 2023)
Ruth McCluskey	Vice Chairperson (Appointed 31 <sup>st</sup> August 2023)
Shirley Robison	
Liz Ely	
Elisa Campanaro	(Resigned 26 <sup>th</sup> January 2024)

### **EXECUTIVE OFFICERS**

Paul McVey	Chief Executive Officer
Norma Taylor	Deputy CEO (Resigned 31 <sup>st</sup> March 2024)
Mandy Wright	Director of Finance (Resigned 31 <sup>st</sup> December 2023)
Donna Reilly	Director of Property Services
Pauline Fletcher	Director of Housing and Communities
Laura Brennan	Director of Finance and Corporate Services (Appointed 26 <sup>th</sup> September 2023)

### **REGISTERED OFFICE**

135 Fifty Pitches Road  
Glasgow  
G51 4EB

### **EXTERNAL AUDITORS**

Alexander Sloan  
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

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2024

The Management Committee presents its report and the financial statements for the year ended 31 March 2024.

### 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 deficit for the year of £260,610 (2022/23: surplus £2,242,934).

The equity balance of £49,954,444 (2022/23: £49,759,185).

### Governing Body

The Association's Governing Body is the Management Committee which meets monthly. At the AGM which was held in August 2023, one-third of the Management Committee and one member who had acted as a co-optee member stood down in accordance with our rules and any members who had served for more than 9 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 2023 AGM, Jonah Chireka and Elisa Campanaro resigned as members of the Management Committee due to external commitments. Management Committee looked to appoint new members to fill vacancies on a casual member basis.

The Management Committee carried out an in-year review of its Governance Structure including the sub-committee structure which supports the work of the Management Committee. The outcome of this review was the merging of the work of the existing SHA Audit Committee and Staffing and General Purposes Sub-Committee into a new Finance and Corporate Services Sub-Committee, and the establishment of a new Operations Sub-Committee, both sub-committees have been active in supporting the Management Committee.

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 an Engagement Plan and 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' and our Engagement Plan contains no further engagement with the SHR over and above submission of our annual regulatory return obligations set out in the SHRs' Regulatory Framework.

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2024

### Performance as a Registered Landlord

Performance levels improved last year as the realigned structure of the Association bedded in with a new Leadership Team.

On the back of our Tenant Satisfaction Survey outcomes, there have been significant performance improvements, particularly across repairs, maintenance and managing empty properties. A revised approach to managing customer demand has also resulted in a much more responsive service being delivered.

Recognising risks and weaknesses, a procurement process was carried out which has resulted in the Association engaging with a framework of multiple contractors who service the Association and our customers' homes. This has been one of the key drivers of our performance improvements in the last year.

With failures acknowledged with our factoring service, work has taken place to prepare the Association to return this activity back to the parent from our subsidiary. The new financial year will herald the start of key improvements to this part of our service.

This report will summarise the following areas through tables and narrative –

- Performance Outputs
- Investment in Homes
- Building and developing Homes
- Care and Repair
- Welfare Benefits and Money Advice

### ***Performance Outputs***

Table 1 below highlights a summary of our Performance Outputs reported in the ARC, across the last 5 years.

During 2023/24, marked improvements were achieved across key indicators such as a significant reduction in property re-let times, improved reactive repairs response times and improvements in SHQS and EESSH compliance.

Although we remain below the Scottish average relating to tenant satisfaction and SHQS/EESSH, delivering improvements within these areas continues to be an internal focus which is reflected in the revised Corporate Plan which sets out objectives for the next 5 years.

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2024

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

Indicator	2019/20	2020/21	2021/22	2022/23	2023/24	Scottish Average 2023/24
Gross Rent Arrears as a percentage of rent due	5.91%	6.47%	6.56%	7.27%	7.07%	7.09%
Average days to re-let properties	12.9 days	38.73 days	43.46 days	59.86 days	19.81 days	57.88 days
Percentage of rent due lost through empty properties	0.33%	0.66%	0.87%	1.07%	0.5%	1.41%
Percentage of tenancy offers refused	30.8%	38.35%	49.65%	30.1%	23.58%	31.37%
Percentage of new tenancies sustained for more than a year *All Lets*	93.5%	92.1%	92.41%	90.63%	TBC	91.12%
Percentage of tenants satisfied with the quality of their home	96%	96%	96%	77%	77%	83.57%
Average hours taken to complete emergency repairs	1.72 hours	1.99 hours	2.61 hours	3.53 hours	3.19 hours	3.97 hours
Average hours taken to complete non-emergency repairs	3.98 days	2.81 days	4.32 days	8.5 days	4.40 hours	8.77 days
Percentage of homes with gas safety record renewed by anniversary date	100%	100%	99.81%	100%	99.7%	TBC
Percentage of reactive repairs completed right first time	91.05%	96.68%	90.82%	70.6%	89.81%	88.42%
Percentage of tenants satisfied with the repairs service	90.6%	-	62.8%	71%	71%	87.19%
Percentage of self-contained properties that meet SHQS	81.35%	74.76%	71.46%	64.38%	77.95%	83.84%
Percentage of self-contained properties meeting EESSH	79.6%	84.4%	81.6%	83.1%	86.5%	91.79%
Percentage of Stage 1 and Stage 2 complaints responded to in full	S1 – 98.77% S2 – 95.45%	S1 – 88% S2 – 91.67%	S1 – 94.64% S2 – 88.24%	S1 – 97.21% S2 – 96.49%	S1 – 100% S2 – 93.8%	S1 – 96.7% S2 – 90.42%
Average time in working days for a full response to complaints at Stage 1 and Stage 2	S1 – 3.44 days S2 – 20.05 days	S1 – 5.8 days S2 – 31.82	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 – 5.08 days S2 – 17.5 days

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### *Investing in Homes*

Throughout the financial year, Southside continued to invest in the ongoing improvement in existing homes which is evidenced in improvements in SHQS and EESSH indicators. Although we remain below the Scottish average, investment will continue to be directed to achieving ongoing improvement within these areas.

This again has been a challenging year due to rising construction cost, high inflation rates and the cost-of-living crisis. Despite ongoing challenges, we continued to invest in our homes to keep them well maintained, safe, secure and energy efficient.

Table 2 below details our planned investment works completed in 2023-2024 which assisted us in achieving improvements in SHQS and EESSH compliance in several of our properties.

**Table 2**

<b>Project</b>	<b>Addresses</b>	<b>No. of Properties</b>	<b>Cost</b>
Gas Boiler Replacements	Ad-hoc	7	£14,388
Kitchen Replacements	Ad-hoc	22	£109,611
Bathroom Replacements	Ad-hoc	6	£31,155
Heating Upgrades	Cardonald & Pollokshields	345	£2,849,812
Ventilation Systems Upgrades	Cardonald - Various	250	£179,111
Electrical Systems Upgrades	Cardonald - Various	150	£458,372
<b>Grand Total</b>			<b>£3,642,449</b>

### *Building and Developing Homes for the Future*

Southside HA continued their long-standing tradition of building and developing homes for the future – witnessing completions during the year of our new build development at St Andrews Drive Phase 2 & 3 in Pollokshields and our tenement improvement works at Strathbungo Phase 2.

In addition, we started works on site building a further 50 new homes on the former Arnold Clark site at 640 Pollokshaws Road.

Details of our development projects are contained in Table 3 below.

The Association continues to work on several new projects for the coming years.

## SOUTHSIDE HOUSING ASSOCIATION LIMITED

### REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

**Table 3 – New Homes**

Project	Social Rent	MMR	Shared Equity	Total Units	Grant Funding	SHA Funding	Sales Income	Completion
St Andrews Drive, Phase 2	59		17	76	£ 9.429	£ 5.194	£ 1.781	Nov 2023
St Andrews Drive, Phase 3	32		12	44	£ 5.091	£ 2.356	£ 1.407	Nov 2023
Strathbungo Ph 2	27			27	£ 3.173	£ 1.498		March 2024
640 Pollokshaws Road	50			50	£ 6.995	£ 4.024		Oct 2025
<b>TOTALS</b>	<b>168</b>	<b>0</b>	<b>29</b>	<b>197</b>	<b>£ 24.688</b>	<b>£ 13.072</b>	<b>£ 3.188</b>	

### 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) in 2021.

A full report on the funding and outputs from the service is provided to partners twice annually. 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. These figures include tasks carried out for SHA Saffron tenants and minor medical adaptations for SHA tenants.

**Table 4 - Handyperson Service for SHA Tenants**

Job Category	Apr - Sep 22	Oct 22 - Mar 23	Oct 22-Mar 23	Apr 23 – Mar 24
Joinery	58	71	129	149
Electrical	5	8	13	11
Plumber	4	1	5	0
Internal handrails	0	0	0	5
Keysafes	1	17	18	32
Safety/Security	3	0	3	3
Home	32	36	68	77
Lower Thresholds	0	2	2	4
Internal Accessibility	0	0	0	0
Grab Rails	3	9	12	41
Doors/Windows	0	0	0	0
Advice from HP	3	2	5	11
Signpost from Office	(2)	(6)	(8)	(15)
<b>Total No. Client Job Tasks</b>	<b>111</b>	<b>152</b>	<b>263</b>	<b>333</b>



# SOUTHSIDE HOUSING ASSOCIATION LIMITED

## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2024

### Advice Services

Southside continues to provide specialist Welfare Rights and Money Advice services to our own residents, and to other Housing Associations and Community organisations. Tables 5 & 6 below detail the volume of cases, and financial gains for tenants.

	Number of Households	Number of Cases	Financial Gains Sum Calculated Financial Gain
<b>Cases Closed 2023/2024</b>	<b>1535</b>	<b>4030</b>	<b>£3,279,447.97</b>

Client Profile (Current) Registered Social Landlord	Case Details Count Number of Cases	Financial Gains Sum Calculated Financial Gain
Care & Repair & Community	52	£27,942.21
Cathcart HA	602	£400,151.19
Craigdale HA	350	£239,796.16
New Gorbals HA	41	£12,804.76
Southside HA	2985	£2,598,753.65
<b>Report Total</b>	<b>4030</b>	<b>£3,279,447.97</b>

### Money Advice

In addition, to help with benefits and grants, the Association has a FCA registered Debt advice service to assist tenants with fuel and consumer debt. The service had 121 new cases in 2023/2024 and has a current live caseload of 94. In 2023/24 the service assisted tenants to get over £78k of debt written off. Table 7 details new cases per Housing Association or service.

Funding Source	Number of Active cases
Southside Housing Association	87
Cathcart & District Housing Association	12
Craigdale Housing Association	5
New Gorbals Housing Association	11
The Well	0
Community Cases/ Care & Repair	6
<b>Total</b>	<b>121</b>

# **SOUTHSIDE HOUSING ASSOCIATION LIMITED**

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## **REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2024**

In 2023/2024 in response to the cost-of-living crisis the Welfare Rights & Money Advice Team applied for funding from the SFHA Social Housing Fuel Support fund and were awarded three grants with a total value of £133,094 which allowed for three separate support projects:

- The fuel support project ran from October 2023 to March 2024, and we issued 800 pre-payment meter vouchers to tenants at £49 each and 50 payments of £100 to tenants with dry meters who were struggling financially and had been excluded from the Warm Home Discount due to a change in criteria, or who could not access the Home Heating Fund.
- The Energy efficiency goods project assisted tenants to improve insulation, cut cooking costs and stay warm in their homes. The goods included Carpet Vouchers; Air Fryers; Thermal Curtains; Hi Tog Duvets & Draft Excluders. 740 items/vouchers were issued.
- The Fuel Adviser project, with services supplied by the Wisegroup, to assist 150 tenants with Energy Advice. The project ran from August 2023 to March 2024. They assisted vulnerable tenants to set up utilities with energy suppliers, assisted with disputes with suppliers, and provided advice around energy use and how to get the best value for money from their heating system.

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2024

### **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

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2024

### 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 2024. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

### Donations

During the year the Association made charitable donations of £6,807 (2023 - £5,195).

### 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**

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## **REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2024**

### **Auditor**

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

**By order of the Management Committee**

**ALISON DEVLIN**  
Secretary

3/9/2024

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

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## 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

3/9/2024



Alexander Sloan  
Accountants and Business Advisers

# **SOUTHSIDE HOUSING ASSOCIATION LIMITED**

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## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHSIDE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (continued)**

### **Opinion**

We have audited the financial statements of Southside Housing Association Limited (the 'Association') for the year ended 31 March 2024 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 2024 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

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHSIDE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (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

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHSIDE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (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

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHSIDE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (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  
3/9/2024



Alexander Sloan  
Accountants and Business Advisers

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Revenue	2		17,961,994		15,461,014
Operating costs	2		18,253,254		13,218,080
<b>OPERATING (DEFICIT) / SURPLUS</b>			(291,260)		2,242,934
Gain on sale of housing stock	7	518,332		143,130	
Release of negative goodwill	14	111,000		111,000	
Exceptional item	-	2		-	
Interest payable and similar charges	8	(702,684)		(316,923)	
Other Finance income/(charges)	11	104,000		10,000	
			30,650		(52,793)
(Deficit) / surplus on ordinary activities before taxation	9		(260,610)		2,190,141
<b>(DEFICIT) / SURPLUS FOR THE YEAR</b>			<b>(260,610)</b>		<b>2,190,141</b>
<b>Other comprehensive income</b>					
Actuarial gains/(losses) on defined benefit pension plan	21		456,000		(141,000)
<b>TOTAL COMPREHENSIVE INCOME</b>			<b>195,390</b>		<b>2,049,141</b>

The results relate wholly to continuing activities.

The notes on pages 21 to 45 form an integral part of these financial statements.

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	2024		Restated 2023	
		£	£	£	£
<b>NON-CURRENT ASSETS</b>					
Housing properties - depreciated cost	12		140,318,707		137,317,999
Other tangible assets	12		1,956,903		1,777,960
Intangible assets	12		214,135		340,643
Investments	13		1		1
			<u>142,489,746</u>		<u>139,436,603</u>
Negative goodwill	14		(4,109,824)		(4,220,824)
<b>CURRENT ASSETS</b>					
Receivables	15	2,479,270		2,398,283	
Other Current Assets	16	806		806	
Cash and cash equivalents	17	3,144,880		5,048,299	
			<u>5,624,956</u>		<u>7,447,388</u>
<b>CREDITORS: Amounts falling due within one year</b>	18	(6,910,945)		(5,664,989)	
<b>(NET CURRENT LIABILITIES) / ASSETS</b>			<u>(1,285,989)</u>		<u>1,782,399</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			137,093,933		136,998,178
<b>CREDITORS: Amounts falling due after more than one year</b>	19		(9,896,442)		(9,102,812)
<b>PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Scottish housing association pension scheme	21	(456,000)		(191,000)	
Strathclyde pension fund	21	721,000		-	
			<u>265,000</u>		<u>(191,000)</u>
<b>DEFERRED INCOME</b>					
Social housing grants	22	(77,429,432)		(77,866,566)	
Other grants	22	(78,615)		(78,615)	
			<u>(77,508,047)</u>		<u>(77,945,181)</u>
<b>NET ASSETS</b>			<u><b>49,954,444</b></u>		<u><b>49,759,185</b></u>
<b>EQUITY</b>					
Share capital	23		109		240
Revenue reserves			49,689,335		49,949,945
Pension reserves			265,000		(191,000)
			<u><b>49,954,444</b></u>		<u><b>49,759,185</b></u>

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 3/9/2024

**Committee Member**

**Committee Member**

**Secretary**

The notes on pages 21 to 45 form an integral part of these financial statements.

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

	Notes	2024		2023	
		£	£	£	£
<b>Surplus for the Year</b>			(260,610)		1,566,895
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets	12	3,745,855		3,032,234	
Amortisation of intangible assets	12	126,508		119,899	
Reversal of impairment	12	(202,267)			
Amortisation of capital grants	22	(2,407,128)		(1,688,271)	
Gain on disposal of tangible fixed assets		-		-	
Release of negative goodwill	14	(111,000)		(111,000)	
Non-cash adjustments to pension provisions		-		(26,000)	
			1,151,834		1,326,862
Interest receivable			-		-
Interest payable	8		702,684		316,923
<b>Operating cash flows before movements in working capital</b>			1,593,908		3,210,680
Change in stock		-		35,999	
Change in properties developed for resale		-		60,500	
Change in debtors		(80,987)		695,300	
Change in creditors		1,013,977		548,743	
			932,990		1,340,542
<b>Net cash inflow from operating activities</b>			2,526,898		4,551,222
<b>Investing Activities</b>					
Acquisition and construction of properties		(7,207,735)		(17,494,528)	
Purchase of Intangible Fixed Assets		-		(71,856)	
Purchase of other fixed assets		(85,628)		(37,283)	
Social housing grant received		2,420,087		6,852,342	
Social housing grant repaid		(221,897)		(17,977)	
Proceeds on disposal of housing properties		502,573		69,413	
<b>Net cash outflow from investing activities</b>			(4,586,989)		(10,699,889)
<b>Financing Activities</b>					
Interest received on cash and cash equivalents		-		-	
Interest paid on loans		(702,684)		(316,923)	
Loan principal repayments		859,353		7,837,994	
Share capital issued	23	3		17	
<b>Net cash inflow from financing activities</b>			156,672		7,521,088
<b>(decrease)/increase in cash</b>	24		(1,903,419)		1,372,421
<b>Opening cash &amp; cash equivalents</b>			5,048,299		3,675,878
<b>Closing cash &amp; cash equivalents</b>			<b>3,144,880</b>		<b>5,048,299</b>
<b>Cash and cash equivalents as at 31 March</b>					
Cash	24		3,144,880		5,048,299
			<b>3,144,880</b>		<b>5,048,299</b>

The notes on pages 21 to 45 form an integral part of these financial statements.

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

## STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2024

	Share Capital	Strathclyde Pension Reserve	Scottish Housing Association Pension Reserve	Revenue Reserve	Total
	£	£	£	£	£
<b>Balance as at 31 March 2022</b>	223	-	(76,000)	47,785,804	47,710,027
Issue of Shares	17	-	-	-	17
Other comprehensive income	-	41,000	(182,000)	-	(141,000)
Other movements	-	(41,000)	67,000	(26,000)	-
Surplus for the year	-	-	-	2,190,141	2,190,141
<b>Balance as at 31 March 2023</b>	<b>240</b>	<b>-</b>	<b>(191,000)</b>	<b>49,949,945</b>	<b>49,759,185</b>
<b>Balance as at 1 April 2023 as originally stated</b>	240	-	(191,000)	49,326,699	49,135,939
Prior year adjustment	-	-	-	623,246	623,246
<b>Balance as at 1 April 2023 - restated</b>	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
Deficit for the year	-	-	-	(260,610)	(260,610)
<b>Balance as at 31 March 2024</b>	<b>109</b>	<b>721,000</b>	<b>(456,000)</b>	<b>49,689,335</b>	<b>50,577,690</b>

The notes on pages 21 to 45 form an integral part of these financial statements.

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 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 2024 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 2024 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 2024  
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 2024 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 102.

##### *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 31.

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.

#### 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 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

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

		2024			2023		
	Notes	Turnover	Operating costs	Operating surplus / (deficit)	Turnover	Operating costs	Operating surplus / (deficit)
		£	£	£	£	£	£
Affordable letting activities	3	15,506,976	15,667,239	(160,263)	14,036,078	11,726,298	2,309,780
Other Activities	4	2,455,018	2,586,015	(130,997)	1,424,936	1,491,782	(66,846)
<b>Total</b>		<b>17,961,994</b>	<b>18,253,254</b>	<b>(291,260)</b>	<b>15,461,014</b>	<b>13,218,080</b>	<b>2,242,934</b>

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

	General Needs Housing	Supported Housing	Shared Ownership	2024 Total	2023 Total
	£	£	£	£	£
<b>Revenue from Lettings</b>					
Rent receivable net of service charges	12,094,064	520,381	81,495	12,695,940	11,638,989
Service charges receivable	380,360	19,542	3,584	403,486	324,678
<b>Gross income from rent and service charges</b>	<b>12,474,424</b>	<b>539,923</b>	<b>85,079</b>	<b>13,099,426</b>	<b>11,963,667</b>
Less: Rent losses from voids	(73,391)	5,845	-	(67,546)	239,106
<b>Income from rents and service charges</b>	<b>12,547,815</b>	<b>534,078</b>	<b>85,079</b>	<b>13,166,972</b>	<b>11,724,561</b>
Grants released from deferred income	2,340,004	-	-	2,340,004	2,311,517
<b>Total turnover from affordable letting activities</b>	<b>14,887,819</b>	<b>534,078</b>	<b>85,079</b>	<b>15,506,976</b>	<b>14,036,078</b>
<b>Expenditure on affordable letting activities</b>					
Management and maintenance administration	5,289,725	-	-	5,289,725	5,224,932
Service costs	2,050,153	2,926	9,494	2,062,573	927,398
Planned and cyclical maintenance, including major repairs	1,835,615	11,064	-	1,846,679	523,248
Reactive maintenance costs	2,459,751	62,970	476	2,523,197	1,897,236
Bad Debts - rents and service charges	134,914	(1,389)	-	133,525	62,961
Depreciation of affordable let properties	3,811,540	-	-	3,811,540	3,090,523
<b>Operating costs of affordable letting activities</b>	<b>15,581,698</b>	<b>75,571</b>	<b>9,970</b>	<b>15,667,239</b>	<b>11,726,298</b>
<b>Operating surplus on affordable letting activities</b>	<b>(693,879)</b>	<b>458,507</b>	<b>75,109</b>	<b>(160,263)</b>	<b>2,309,780</b>
<b>2023</b>	<b>2,032,381</b>	<b>308,829</b>	<b>(31,430)</b>		

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
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) 2024	Operating surplus / (deficit) 2023
	£	£	£	£	£	£	£	£	£
Wider role activities	-	78,812	-	-	78,812	-	101,300	(22,488)	(25,609)
Care and repair	-	-	444,386	-	444,386	-	338,566	105,820	(36,735)
Support activities	-	36,920	-	-	36,920	-	147,004	(110,084)	606,382
Subsidiary	-	-	-	113,442	113,442	-	-	113,442	55,000
Other activities	-	277,027	-	88,291	365,318	-	492,963	(127,645)	(245,041)
Commercial Leases	-	-	-	136,357	136,357	-	-	136,357	53,285
Development Costs	-	1,279,783	-	-	1,279,783	-	1,506,182	(226,399)	(474,128)
<b>Total From Other Activities</b>	<b>-</b>	<b>1,672,542</b>	<b>444,386</b>	<b>338,090</b>	<b>2,455,018</b>	<b>-</b>	<b>2,586,015</b>	<b>(130,997)</b>	<b>(66,846)</b>
<b>2023</b>	<b>251,407</b>	<b>894,760</b>	<b>70,228</b>	<b>208,541</b>	<b>1,424,936</b>	<b>-</b>	<b>1,491,782</b>	<b>(66,846)</b>	

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5. OFFICERS' EMOLUMENTS

	2024	2023
	£	£
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee,		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	223,827	68,796
Pension contributions made on behalf on Officers with emoluments greater than £60,000	51,084	17,071
Emoluments payable to Directors during the year (excluding pension contribu Pension contributions paid on behalf of Directors	83,182 21,561	71,457 40,486
Total emoluments payable to Directors	104,743	111,943
Total emoluments paid to key management personnel	454,223	408,502

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

### 6. EMPLOYEE INFORMATION

	2024	2023
	No.	No.
Average monthly number of full time equivalent persons employed during	101	96
Average total number of employees employed during the year	112	110
Staff costs were:	£	£
Wages and salaries	3,269,406	3,035,308
National insurance costs	315,328	308,884
Pension costs	634,907	652,742
Temporary, agency and seconded staff	-	1,037
	4,219,641	3,997,971

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 7. GAIN ON SALE OF HOUSING STOCK

	2024	2023
	£	£
Sales proceeds	945,635	166,009
Cost of sales	<u>427,303</u>	<u>22,879</u>
Gain on sale of housing stock	<u>518,332</u>	<u>143,130</u>

## 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2024	2023
	£	£
On bank loans and overdrafts	659,898	246,933
Non-utilisation fees	<u>42,786</u>	<u>69,990</u>
	<u>702,684</u>	<u>316,923</u>

## 9. (DEFICIT) / SURPLUS FOR THE YEAR

	2024	2023
	£	£
(Deficit) / Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	3,745,854	3,032,233
Reversal of Impairment on other fixed assets	(202,267)	-
Auditors' remuneration - audit services	27,628	25,000
Operating lease rentals - other	<u>8,444</u>	<u>3,503</u>

## 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)

	2024	2023
	£	£
Net interest on pension obligations	<u>104,000</u>	<u>10,000</u>

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
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 £
<b>COST</b>				
At 1st April 2023 as or	126,651,508	57,465,056	4,218,129	188,334,693
Prior year adjustment	11,144,014	(11,144,014)		-
At 1 April 2023- restat	137,795,522	46,321,042	4,218,129	188,334,693
Additions	3,291,094	3,854,700	-	7,145,794
Disposals	(497,986)	(75,250)	(59,235)	(632,471)
Transfers	17,941,553	(17,941,553)	-	-
At 31 March 2024	<u>158,530,183</u>	<u>32,158,939</u>	<u>4,158,894</u>	<u>194,848,016</u>
<b>DEPRECIATION</b>				
At 1 April 2023- restat	50,103,388	-	913,306	51,016,694
Charge for Year	3,552,534	-	89,979	3,642,513
Transfers	-	-	-	-
Disposals	(115,718)	-	(14,180)	(129,898)
At 31 March 2024	<u>53,540,204</u>	<u>-</u>	<u>989,105</u>	<u>54,529,309</u>
<b>NET BOOK VALUE</b>				
At 31 March 2024	<u>104,989,979</u>	<u>32,158,939</u>	<u>3,169,789</u>	<u>140,318,707</u>
At 31 March 2023	<u>87,692,134</u>	<u>46,321,042</u>	<u>3,304,823</u>	<u>137,317,999</u>

Expenditure on Existing Properties	2024		2023	
	Component replacement £	Improvement £	Component replacement £	Improvement £
Amounts capitalised	3,291,094	-	273,129	-
Amounts charged to the statement of comprehensive income	-	4,369,876	-	2,420,484

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £24,735,876 (2023 - £26,733,998)

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 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 12. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Motor Vehicles £	Commerical Property £	Total £
<b>COST</b>					
At 1 April 2023	2,530,389	145,825	154,192	425,552	3,255,958
Additions	-	29,232	56,396	-	85,628
Eliminated on disposals	-	-	(14,878)	-	(14,878)
At 31 March 2024	<u>2,530,389</u>	<u>175,057</u>	<u>195,710</u>	<u>425,552</u>	<u>3,326,708</u>
<b>DEPRECIATION</b>					
At 1 April 2023	1,067,842	114,732	95,153	200,271	1,477,998
Charge for year	49,813	24,650	20,377	8,501	103,341
Reversal of impairment	(202,267)	-	-	-	(202,267)
Eliminated on disposals	-	-	(9,267)	-	(9,267)
At 31 March 2024	<u>915,388</u>	<u>139,382</u>	<u>106,263</u>	<u>208,772</u>	<u>1,369,805</u>
<b>NET BOOK VALUE</b>					
At 31 March 2024	<u>1,615,001</u>	<u>35,675</u>	<u>89,447</u>	<u>216,780</u>	<u>1,956,903</u>
At 31 March 2023	<u>1,462,547</u>	<u>31,093</u>	<u>59,039</u>	<u>225,281</u>	<u>1,777,960</u>

### 12. (c) Intangible assets

	Website & Software £	Total £
<b>COST</b>		
At 1 April 2023	632,990	632,990
Additions	-	-
At 31 March 2024	<u>632,990</u>	<u>632,990</u>
<b>AMORTISATION</b>		
At 1 April 2023	292,347	292,347
Charge for year	126,508	126,508
At 31 March 2024	<u>418,855</u>	<u>418,855</u>
<b>NET BOOK VALUE</b>		
At 31 March 2024	<u>214,135</u>	<u>214,135</u>
At 31 March 2023	<u>340,643</u>	<u>340,643</u>

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13. FIXED ASSET INVESTMENTS

	2024	2023
	£	£
Subsidiary undertakings	1	1

#### Subsidiary Undertakings

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

	Share Capital	2024		2023	
		Unaudited	<i>Profit / (Loss)</i>	Audited	<i>Profit / (Loss)</i>
		Reserves	£	Reserves	£
Southside Lettings (Scotland) Ltd	100%	207,059	143,831	69,114	58,442

### 14. NEGATIVE GOODWILL

	2024	2023
	£	£
At 1 April 2023	4,220,824	4,331,824
Released during the year to the statement of comprehensive income	(111,000)	(111,000)
At 31 March 2024	4,109,824	4,220,824

### 15. RECEIVABLES

	2024	2023
	£	£
Gross arrears of rent and service charges	1,897,460	1,302,787
Less: Provision for doubtful debts	(743,687)	(611,764)
<i>Net arrears of rent and service charges</i>	1,153,773	691,023
Other receivables	737,047	1,479,008
Amounts due from group undertakings	588,450	228,252
	2,479,270	2,398,283

### 16. OTHER CURRENT ASSETS

	2024	2023
	£	£
Shared equity properties for sale	-	-
Stock of maintenance materials	806	806
	806	806

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 17. CASH AND CASH EQUIVALENTS

	2024	2023
	£	£
Cash at bank and in hand	<u>3,144,880</u>	<u>5,048,299</u>

## 18. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Bank loans	217,579	151,856
Trade payables	1,543,360	700,480
Rent received in advance	1,264,288	1,183,422
Social housing grant in advance	963,135	734,939
Other taxation and social security	95,200	89,607
Other payables	952,325	914,866
Accruals and deferred income	1,875,058	1,889,819
	<u>6,910,945</u>	<u>5,664,989</u>

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

	2024	2023
	£	£
Bank loans	9,896,442	9,102,812
	<u>9,896,442</u>	<u>9,102,812</u>

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 20. DEBT ANALYSIS - BORROWINGS

	2024	2023
	£	£
<b>Bank Loans</b>		
Amounts due within one year	222,587	151,856
Amounts due in one year or more but less than two years	9,222,587	133,066
Amounts due in two years or more but less than five years	609,641	8,399,179
Amounts due in more than five years	280,981	570,567
	<u>10,335,796</u>	<u>9,254,668</u>

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

<b>Lender</b>	<b>Number of Properties Secured</b>	<b>Interest Rate</b>	<b>Maturity Variable or (Year) Fixed</b>
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%	2024 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.

	2024	2023
	£	£
Due to lenders At 31 March 2024	10,335,796	9,481,451
Effective interest rate adjustment	(221,775)	(226,783)
	<u>10,114,021</u>	<u>9,254,668</u>

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
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 valuation of the Scheme was performed as at 30 September 2021 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £1,173m. The valuation revealed a shortfall of assets compared with the value of liabilities of £27m (equivalent to a past service funding level of 98%).

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)

	2024	2023	2022
	£	£	£
Fair value of plan assets	3,294,000	3,361,000	4,950,000
Present value of defined benefit obligation	3,750,000	3,552,000	5,026,000
Surplus / (deficit) in plan	(456,000)	(191,000)	(76,000)
Unrecognised surplus	-	-	-
Defined benefit asset / (liability) to be recognised	(456,000)	(191,000)	(76,000)

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
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

	2024	2023
	£	£
Defined benefit obligation at the start of period	3,552,000	5,026,000
Expenses	5,000	4,000
Interest expense	171,000	139,000
Actuarial losses (gains) due to scheme experience	155,000	(132,000)
Actuarial losses (gains) due to changes in demographic assumptions	(22,000)	(77,000)
Actuarial losses (gains) due to changes in financial assumptions	-	(1,316,000)
Benefits paid and expenses	(111,000)	(92,000)
Defined benefit obligation at the end of period	<u>3,750,000</u>	<u>3,552,000</u>

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

	2024	2023
	£	£
Fair value of plan assets at start of period	3,361,000	4,950,000
Interest income	162,000	138,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(123,000)	(1,707,000)
Contributions by the employer	5,000	72,000
Benefits paid and expenses	(111,000)	(92,000)
Fair value of plan assets at the end of period	<u>3,294,000</u>	<u>3,361,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was (£039,000)

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
 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

	2024	2023
	£	£
Current service cost	-	-
Expenses	5,000	4,000
Net interest expense	9,000	1,000
	<u>14,000</u>	<u>5,000</u>
Defined benefit costs recognised in statement of comprehensive income	<u>14,000</u>	<u>5,000</u>

#### income

	2024	2023
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	(123,000)	(1,707,000)
Experience gains and losses arising on plan liabilities - gain /(loss)	(155,000)	132,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	22,000	77,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	-	1,316,000
	<u>(256,000)</u>	<u>(182,000)</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	<u>(256,000)</u>	<u>(182,000)</u>
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain / (loss)	-	-
	<u>(256,000)</u>	<u>(182,000)</u>
Total amount recognised in other comprehensive income - gain (loss)	<u>(256,000)</u>	<u>(182,000)</u>

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 21. RETIREMENT BENEFIT OBLIGATIONS (continued)

#### Scottish Housing Association Pension Scheme (continued.)

##### Assets

	2024	2023	2022
	£	£	£
Absolute Return	148,000	46,000	227,000
Alternative Risk Premia	119,000	19,000	204,000
Corporate Bond Fund	-	4,000	313,000
Credit Relative Value	116,000	128,000	159,000
Distressed Opportunities	121,000	103,000	177,000
Emerging Markets Debt	58,000	26,000	184,000
Global Equity	379,000	89,000	979,000
Currency Hedging	(1,000)	6,000	(18,000)
Infrastructure	315,000	362,000	309,000
Insurance-Linked Securities	20,000	94,000	104,000
Liability Driven Investment	1,191,000	1,423,000	1,198,000
Long Lease Property	24,000	113,000	143,000
Net Current Assets	4,000	8,000	16,000
Opportunistic Illiquid Credit	131,000	-	2,000
Private Debt	133,000	150,000	125,000
Property	139,000	140,000	128,000
Risk Sharing	198,000	245,000	161,000
Secured Income	110,000	225,000	264,000
Liquid Credit	-	149,000	164,000
Private Equity	3,000	-	32,000
High Yield	1,000	17,000	48,000
Cash	85,000	14,000	14,000
	<u>3,294,000</u>	<u>3,361,000</u>	<u>4,950,000</u>
Total assets	3,294,000	3,361,000	4,950,000

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

	2024	2023	2022
Discount Rate	4.9%	4.9%	2.8%
Inflation (RPI)	3.2%	3.2%	3.6%
Inflation (CPI)	2.8%	2.7%	3.2%
Salary Growth	3.8%	3.7%	4.2%

Allowance for commutation of pension for cash at retirement 75% of maximum allowance

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

	Life expectancy at age 65 years (years)
Male retiring in 2024	20.2
Female retiring in 2024	22.7
Male retiring in 2044	21.4
Female retiring in 2044	<u>24.1</u>



# SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
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	2024 %p.a.	2023 %p.a.	2022 %p.a.
Pension Increase Rate (CPI)	2.80	2.95	3.20
Salary Increase Rate	3.50	3.65	3.90
Discount Rate	4.80	4.75	2.70

### Members of the Scheme

	2024 No	2023 No
Employee members	14	16
Deferred pensioners	3	4
Pensioners	11	8
	<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	2024 % p.a.	2023 % p.a.	2022 % p.a.
Equities	58%	60%	64%
Bonds	27%	28%	24%
Property	10%	10%	10%
Cash	5%	2%	2%
<b>Total</b>	<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 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and long term rate of employment 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	20.3	22.8
Future Pensioners	18.8	24.3

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
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

	2024	2023
	%	%
Equities	58%	60%
Gilts	27%	28%
Bonds	10%	10%
Property	5%	2%
	<hr/>	<hr/>
	100%	100%

Net Pension Liability	2024	2023	2022
	£	£	£
Fair value of employer's assets	7,490,000	7,106,000	7,183,000
Present value of scheme liabilities	(4,929,000)	(4,544,000)	(6,586,000)
Surplus / (deficit) in plan	2,561,000	2,562,000	597,000
Unrecognised surplus	1,840,000	2,562,000	597,000
	<hr/>	<hr/>	<hr/>
Defined benefit asset / (liability) to be recognised	721,000	-	-

#### Reconciliation of fair value of employer assets

	2024	2023	2022
	£	£	£
Opening fair value of employer assets	7,106,000	7,183,000	6,606,000
Expected return on assets	339,000	194,000	133,000
Contributions by members	27,000	33,000	30,000
Contributions by the employer	131,000	131,000	144,000
Contributions in respect of unfunded benefits	-	-	-
Actuarial gains / (losses)	364,000	(307,000)	381,000
Other experience	(334,000)	-	-
Assets Acquired in a Business Combination	-	-	-
Estimated benefits paid	(143,000)	(128,000)	(111,000)
	<hr/>	<hr/>	<hr/>
	7,490,000	7,106,000	7,183,000

#### Reconciliation of defined benefit obligations

	2024	2023	2022
	£	£	£
Opening defined benefit obligation	4,544,000	6,586,000	6,795,000
Current service cost	98,000	187,000	224,000
Interest cost	216,000	179,000	137,000
Contributions by members	27,000	33,000	30,000
Actuarial gains / (losses)	187,000	(2,313,000)	(489,000)
Past service costs	-	-	-
Estimated benefits paid	(143,000)	(128,000)	(111,000)
	<hr/>	<hr/>	<hr/>
	4,929,000	4,544,000	6,586,000

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
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

	2024 £	2023 £	2022 £
Charged to operating costs:			
Service cost	98,000	187,000	224,000
	<u>98,000</u>	<u>187,000</u>	<u>224,000</u>
Charged to other finance costs / (income)			
Expected return on employer assets	(339,000)	(194,000)	(133,000)
Interest on pension scheme liabilities	216,000	179,000	137,000
	<u>(123,000)</u>	<u>(15,000)</u>	<u>4,000</u>
<b>Net charge to the statement of comprehensive income</b>	<u>(25,000)</u>	<u>172,000</u>	<u>228,000</u>

#### Actuarial gain / (loss) recognised in other comprehensive income

	2024 £	2023 £	2022 £
Actuarial gain/(loss) recognised in year	(157,000)	2,006,000	870,000
Movement on restriction on surplus	722,000	(1,965,000)	(597,000)
Cumulative actuarial gains recognised	<u>2,855,000</u>	<u>2,290,000</u>	<u>2,249,000</u>

#### Analysis of projected amount to be charged to the statement of comprehensive income for the year ended 31 March 2025

	£	% of pay
Projected current service cost	99,000	-23%
Interest on obligation	234,000	53%
Expected return on plan assets	(356,000)	-81%
	<u>(23,000)</u>	<u>5%</u>

Contributions made by the Association for the year ended 31 March 2025 are estimated to be approximately £29,000.

# SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 22. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
<b>Capital grants</b>			
At 1 April 2023 as originally stated	78,489,812	78,615	78,568,427
Prior year adjustment	(623,246)		(623,246)
At 1 April 2023 - restated	77,866,566	78,615	77,945,181
Additions in the year	2,191,891	-	2,191,891
Eliminated on disposal	(221,897)	-	(221,897)
Amortisation	(2,407,128)	-	(2,407,128)
HAG on Shared Equity Properties - Transfe	-	-	-
At 31 March 2024	<u>77,429,432</u>	<u>78,615</u>	<u>77,508,047</u>
<b>Total at 31 March 2024</b>	<u>77,429,432</u>	<u>78,615</u>	<u>77,508,047</u>
<b>Total at 31 March 2023</b>	<u>77,866,566</u>	<u>78,615</u>	<u>77,945,181</u>

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

	2024 £	2023 £
Amounts due within one year	2,407,128	1,688,271
Amounts due in more than one year	75,100,919	76,880,156
	<u>77,508,047</u>	<u>78,568,427</u>

## 23. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2024 £	2023 £
At 1 April	240	223
Issued in year	3	17
Cancelled in year	(134)	-
At 31 March	<u>109</u>	<u>240</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 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 24. CASH FLOWS

#### Reconciliation of net cash flow to movement in net debt

	2024	2023
	£	£
(Decrease) / increase in cash	(1,903,419)	1,372,421
Cashflow from change in net debt	(859,353)	(7,837,994)
Movement in net debt during the year	(2,762,772)	(6,465,573)
Net debt at 1 April	(4,206,369)	2,259,204
Net debt at 31 March	<u>(6,969,141)</u>	<u>(4,206,369)</u>

	At		Other		At
	01 April 2023	Cashflows	Changes		31 March 2024
	£	£	£		£
Cash and cash equivalents	5,048,299	(1,903,419)	-		3,144,880
Debt: Due within one year	5,048,299	(1,903,419)	-		3,144,880
Due after more than one year	(151,856)	(859,353)	793,630		(217,579)
Net debt	<u>(9,102,812)</u>	<u>-</u>	<u>(793,630)</u>		<u>(9,896,442)</u>
	<u>(4,206,369)</u>	<u>(2,762,772)</u>	<u>-</u>		<u>(6,969,141)</u>

### 25. CAPITAL COMMITMENTS

	2024	2023
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	8,788,952	15,183,656
	<u>8,788,952</u>	<u>15,183,656</u>

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 2024  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 26. COMMITMENTS UNDER OPERATING LEASES

	2024	2023
	£	£
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
<b>Other</b>		
Expiring in the next year	4,459	3,503
Expiring later than one year and not later than five years	<u>9,480</u>	<u>7,088</u>

## 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 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 28. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2024 No.	2023 No.
General needs	2,416	2,325
Supported housing	46	56
Shared ownership	34	38
	<u>2,496</u>	<u>2,419</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:

	2024 £	2023 £
Rent received from tenants on the Management Committee and their close family members	<u>19,319</u>	<u>19,202</u>
Factoring charges received from factored owners on the Management Committee and their close family members	<u>2,809</u>	<u>2,142</u>

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £301 (2023 - £2,469).

At the year end total factoring arrears owed by owner occupiers on the Management Committee (and their close family) were £148 (2023 - £203).

Members of the Management Committee who are tenants	4	4
Members of the Management Committee who are owner occupiers	3	4
Members of the Management Committee who are local councillors	-	-

### 30 CONTINGENT LIABILITY

We were notified in 2021 by the Trustee of the 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 is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2024 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £27m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

### 31 PRIOR YEAR ADJUSTMENT

During the 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 the previous year 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.

