



**Alexander Sloan**  
Accountants and Business Advisers

# **Tollcross Housing Association Limited**

Report and Financial Statements

For the year ended 31 March 2023

Registered Social Landlord No. HCB197

FCA Reference No.1798RS

Scottish Charity No. SC040876

# TOLLCROSS HOUSING ASSOCIATION LIMITED

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## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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# TOLLCROSS HOUSING ASSOCIATION LIMITED

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## MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2023

### Management Committee

Ms A Bell	Chair
Mr C Elliot	Vice Chair
Ms E Skimins	Secretary
Mr W Dougan	
Mr I Smith	Resigned 22 May 2023
Mrs A Phillips	
Mrs E Garscadden	
Mr S Fleming	
Ms G Connolly	
Ms T Findlay	
Mr J McMorrow	Co-optee
Mr D McPhail	
Ms S May	
Ms G Jackson	Co-opted 13 September 2022
Mrs J Carmichael	Co-opted 13 September 2022, Resigned 31 January 2023
Mrs E Watters	Co-opted 27 February 2023

### Executive Officers

Mr C Douglas	Chief Executive Officer
Mr T Hastings	Finance Director
Mr F Donohoe	Technical Director (Retired 31 July 2022)
Mr J Wilson	Technical Director (Appointed 27 September 2022)
Mrs A Wilson	Corporate Services Director
Ms F Mills	Housing Director

### Registered Office

868 Tollcross Road  
Glasgow  
G32 8PF

### External Auditors

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

### Internal Auditors

Quinn Internal Audit Services Limited  
55 Lady Place  
Livingston  
West Lothian  
EH54 6TB

### Bankers

Virgin Money  
47 Main Street  
Baillieston  
Glasgow  
G69 6SQ

### Solicitors

BTO Solicitors LLP  
48 St Vincent Street  
Glasgow  
G2 5HS

# TOLLCROSS HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2023

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

### Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No SP1798RS), the Scottish Housing Regulator as a registered social landlord (No. HCB197) under the Housing (Scotland) Act 2010 and as is a registered Scottish Charity with the charity number SC040876.

### Principal Activities

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

### Strategy and objectives

The Association has incorporated six strategic objectives into its Business Plan which it uses to deliver the aim of improving housing conditions within our area of operation. The objectives are: -

To assess our operating environment and deliver quality, value for money services that meet our customers' needs. This includes an annual assessment of rent affordability, regular reviews of service quality, restoring arrears levels and void turnaround times to pre-pandemic levels and the promotion of digital options to our customers. For the 2022-23 financial year the rent increase was kept well below inflation at 3.6%, our customer satisfaction survey showed that 95.9% of tenants surveyed were either fairly or very satisfied with our overall services and gross rent arrears levels reduced from 3.17% to 2.96%.

To provide quality homes and neighbourhoods. This includes investing over £7.8m in major repairs and renewals during a three-year period, increasing investment in our pre-1919 tenements and building more new homes in the area, to offer a wider choice of house types and tenures. During the 2022-23 financial year our ongoing kitchen and bathroom replacement contract saw 120 kitchens and 12 bathrooms replaced at a cost of £755,000 and a further £607,500 spent on ad-hoc replacements of kitchens, bathrooms, and central heating systems. In addition, we were able to buy back the owners' shares of two shared ownership properties and put these into our general needs stock.

To manage our assets well, by spending wisely. This includes meeting legal obligations in relation to tenant safety, developing our asset management information base and improving the energy efficiency of our housing stock. At the end of the 2022-23 financial year, 99% of our properties meet the Energy Efficiency Standards for Social Housing (ESSH), all properties have carbon monoxide detectors and smoke and heat detectors, and we have made further progress with our asset management strategy.

To work with local partners to provide support and opportunities to people in our communities. This includes acting as a community anchor organisation in our area of operation, working with partner organisations to bring relevant services and activities to our community and tackling social isolation by promoting regular activities and events within the community. During the 2022/23 financial year we continued to work closely with Tollcross Community Trust (TCT) and funded Tollcross Advice and Learning Centre at a cost of £115,000, funded a money advice service together with TCT and Shettleston Housing Association at a cost of £20,500 and attracted grant funding of more than £45,000 for cost-of-living support for residents, which was distributed in conjunction with TCT.

# TOLLCROSS HOUSING ASSOCIATION LIMITED

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To offer a great workplace environment, whereby we will support staff through excellent communications and access to learning and development opportunities, promote a performance culture across all teams, build on improved working between teams and consider long-term options on future working patterns in consultation with staff. Changes to working practices that were brought in during the pandemic have continued to be used, adapted, and improved, to help improve efficiency.

To make sure that the association continues to be well governed and financially sustainable. This involves preparing annual budgets, as well as 5-year and 30-year financial projections, stress testing our annual business plan, implementing a committee succession plan and taking a robust approach to self-assurance.

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

The results for the year are set out in the Statement of Comprehensive Income on page 14.

During the year to 31 March 2023, the Association has continued its main business of providing affordable rented accommodation for people in housing need. The Association has also carried out a programme of maintenance and improvements to its properties, which has increased over the past few years as Government COVID regulations were eased.

Wider Role activities undertaken during the year included involvement in the Cash for Kids project, initiatives aimed at reducing fuel and food poverty, part funding of two money advice staff in conjunction with Tollcross Community Trust and Shettleston Housing Association, as well as continuing with our long-established Advice Centre.

In 2023/24 the Association will continue in its main business and will also seek opportunities in terms of development, wider action, and other initiatives, working closely with other partners where appropriate.

The Association is a member of the Scottish Housing Association Pension Scheme (SHAPS) and the Strathclyde Pension Fund (SPF). Details of the performance of each scheme can be found in note 19 of the financial statements.

## **Principal risks and uncertainties**

The principal risks that have been identified and the steps that are being taken to mitigate them are as follows: -

### **Financial Uncertainties.**

The combination of the Pandemic, the war in Ukraine, Brexit and Welfare Reforms have all combined to create the current Cost of Living Crisis.

Last year the Bank of England were predicting that interest rates and inflation would now be under control and they expected both to drop to pre Pandemic levels by the end of 2023. Unfortunately, these predictions have proved to be massively optimistic. Inflation continues to be well above the Government's 2% target and is now expected to remain high for much of this year. The Bank of England has reacted by increasing interest rates on thirteen occasions since the end of 2021 in an attempt to bring it under control, and the latest predictions show that Base Rate could rise to 6.5% by the end of 2023.

Although these predictions should be treated with some caution, the current economic uncertainty is having an effect on the association, our tenants and contractors and as a result we are having to tailor our services to the changing needs of our customers.

The Cost of Living Crisis is now really hurting many of our tenants. Most of the direct financial assistance offered by the Government over the last 18 months has now stopped and prices are still rising. Although inflation is said to be 8.7% most people feel that the rate is much higher given the disproportionate rises in food and utility bills. At present food inflation is around 18%!

# TOLLCROSS HOUSING ASSOCIATION LIMITED

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It is inevitable that arrears, terminations and void loss will continue to rise while Government help is withdrawn and food and heating cost continue to increase at rates not seen for 30 years.

The Association has done everything possible to help tenants navigate their way through this Crisis. Rent increases have been kept well below the current levels of inflation, although there will come a point in the near future where this relative drop in the Association's income will have to be addressed by the imposition of above inflation rent increases. If this rent strategy is not adopted then it will be difficult for the Association to meet the predicted costs of required future planned investment in our stock and to continue to build more new affordable homes. Through the Tollcross Advice and Learning Centre the Association continue to provide as much direct help to tenants as possible through fuel top up payments, welfare advice and benefit checks, food provision, debt advice, rent payment advice and the Welcome Space initiative.

The Association will continue to strike a balance between increasing arrears and below inflation rent increases while providing as much direct help to as many tenants as possible and maintaining high performance levels and service delivery.

## Pensions and Cessation Events

At present the SHAPS pension fund appears to be performing as expected and there has been no notification of any requirement for further deficit payments to be made.

The outcome of the court case regarding the methodology for determining increases to pension being provided is not yet known. It would seem likely that if the methodology used has been incorrect then current and past scheme members will require to make additional payments to cover the cost of the extra pension payments due to members.

The magnitude of the payments required, if the court finds that the wrong methodology has been employed to calculate past pension increases, is not known at this time. This figure for each member Association will no doubt be based on past membership details.

## Scottish Housing Regulator and Regulatory Standards

Tollcross Housing Association was issued with a clear Engagement Plan for the year 2023/24 and the Association also confirmed full compliance with the Regulatory Standards through the Annual Assurance Statement submitted last year.

The Association has an extensive and rigorous system of internal and external audit in place. A sample of our procedures and functions are audited each year and through this system of self-examination and assessment we are constantly identifying areas where we can improve performance and service delivery. Where areas for improvement are highlighted we ensure that appropriate measures are put in place to address these issues and through this system we hope that the organisation is continually improving in all areas.

## Health, Safety and Wellbeing

The Health, Safety and Wellbeing of the Association's tenants and staff members is of fundamental and paramount importance. The Association has a statutory duty to protect the health and safety of our tenants and staff members and to ensure that all rented properties and workplaces owned and managed by the Association comply with all relevant legal requirements.

The Association has robust and well audited systems in place to control and monitor all aspects of gas and electrical safety, asbestos, legionella, fire safety, health and safety at work and any other matter that places a legal duty on the organisation to protect the health, safety and wellbeing of customers and staff. The Association has a comprehensive training regime in place to ensure that all members of staff are fully aware of their responsibilities regarding health, safety and wellbeing.

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## Key performance indicators

The Association uses key performance indicators to identify areas of improvement and to help provide further evidence of the effectiveness of the strategies and plans being implemented. The main KPI's reported for the 2022–23 financial year are detailed below:

Key performance indicator	Target	Actual performance
Average length of time to complete emergency repairs	6 hours	3.2 hours
Percentage of reactive repairs completed right first time	95%	93.2%
How many times in the reporting year did you not meet your statutory obligation to complete a gas safety check within 12 months of a gas appliance being fitted or last checked.	0	0
Average time taken to re-let properties	16 days	41 days
Gross rent arrears at 31 March as a percentage of rent due for the reporting year	3.50%	2.96%
Percentage of allocations to statutory homeless households	40%	29%

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2023

### 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 Governing Body 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 2019. 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.



# TOLLCROSS HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2023

### 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; and
- the safeguarding of assets against unauthorised use or disposition.

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

- 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 Association is undertaken; and
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

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

### 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.

### Auditor

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

# TOLLCROSS HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2023

By order of the Management Committee



**Ms E Skimins**  
Secretary  
28 August 2023

# TOLLCROSS HOUSING ASSOCIATION LIMITED

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## REPORT BY THE AUDITORS TO THE MEMBERS OF TOLLCROSS HOUSING ASSOCIATION ON CORPORATE GOVERNANCE MATTERS

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

### **Basis of Opinion**

We carried out our review having regard to the requirements 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 7 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

Through enquiry of certain members of the Management Committee and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls 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**  
Accountants and Business Advisers  
Statutory Auditors  
GLASGOW  
28 August 2023



# TOLLCROSS HOUSING ASSOCIATION LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOLLCROSS HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023

### Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2023 and of 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 2019.

### 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.

# TOLLCROSS HOUSING ASSOCIATION LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOLLCROSS HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (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 6, 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:

# TOLLCROSS HOUSING ASSOCIATION LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOLLCROSS HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (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.

# TOLLCROSS HOUSING ASSOCIATION LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOLLCROSS HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (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.

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**  
Accountants and Business Advisers  
Statutory Auditors  
GLASGOW  
28 August 2023



# TOLLCROSS HOUSING ASSOCIATION LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023	2022
		£	£
Revenue	2	10,050,441	9,617,452
Operating costs	2	7,283,508	7,161,894
<b>OPERATING SURPLUS</b>		<b>2,766,933</b>	<b>2,455,558</b>
Interest receivable and other income		150,476	21,216
Interest payable and similar charges	7	(1,299,638)	(1,016,817)
		<u>(1,149,162)</u>	<u>(995,601)</u>
Surplus on ordinary activities before taxation	8	1,617,771	1,459,957
<b>SURPLUS FOR THE YEAR</b>		<b>1,617,771</b>	<b>1,459,957</b>
<b>Other comprehensive income</b>			
Actuarial gains/(losses) in respect of the Strathclyde Pension Fund	18	341,000	545,000
Actuarial gains/(losses) in respect of the SHAPS	18	(329,000)	512,000
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,629,771</b>	<b>2,516,957</b>

The results relate wholly to continuing activities.

The notes on pages 18 to 39 form an integral part of these financial statements.



# TOLLCROSS HOUSING ASSOCIATION LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
<b>NON-CURRENT ASSETS</b>					
Housing properties - depreciated cost	10		61,797,167		61,718,569
Other tangible assets	10		3,580,833		3,661,033
Investments	11		1		1
			<u>65,378,001</u>		<u>65,379,603</u>
<b>CURRENT ASSETS</b>					
Receivables	12	408,509		291,885	
Investments	13	7,249,810		7,192,272	
Cash and cash equivalents	14	3,807,960		3,730,609	
			<u>11,466,279</u>	<u>11,214,766</u>	
<b>CREDITORS:</b> Amounts falling due within one year	15	(2,487,737)		(2,540,061)	
			<u>8,978,542</u>		<u>8,674,705</u>
<b>NET CURRENT ASSETS</b>					
			<u>8,978,542</u>		<u>8,674,705</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>74,356,543</u>		<u>74,054,308</u>
<b>CREDITORS:</b> Amounts falling due after more than one year	16		(26,338,620)		(27,384,487)
<b>PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Scottish housing association pension scheme	18	(246,000)		(58,000)	
Strathclyde pension fund	18	-		(272,000)	
			<u>(246,000)</u>	<u>(330,000)</u>	
<b>DEFERRED INCOME</b>					
Social housing grants	19	(11,368,818)		(11,566,471)	
			<u>(11,368,818)</u>	<u>(11,566,471)</u>	
<b>NET ASSETS</b>					
			<u>36,403,105</u>		<u>34,773,350</u>
<b>EQUITY</b>					
Share capital	20		99		115
Revenue reserves			36,649,006		35,103,235
Pension reserves			(246,000)		(330,000)
			<u>36,403,105</u>		<u>34,773,350</u>

The financial statements including the Income and Expenditure Account and Balance Sheet were approved by the Management Committee and authorised for issue and signed on their behalf by 28 August 2023.

  
Committee Member

  
Committee Member

  
Secretary

The notes on pages 18 to 39 form an integral part of these financial statements.

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
<b>Surplus for the Year</b>			1,617,771		1,459,957
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets	10	1,523,797		1,515,461	
Amortisation of capital grants	19	(197,653)		(197,258)	
Non-cash adjustments to pension provisions		(72,000)		(12,000)	
Share capital written off	20	(18)		(7)	
			1,254,126		1,306,196
Interest receivable			(150,476)		(21,216)
Interest payable	7		1,299,638		1,016,817
<b>Operating cash flows before movements in working capital</b>			4,021,059		3,761,754
Change in debtors		(116,624)		(38,672)	
Change in creditors		(143,935)		(21,557)	
			(260,559)		(60,229)
<b>Net cash inflow from operating activities</b>			3,760,500		3,701,525
<b>Investing Activities</b>					
Acquisition and construction of properties		(1,504,491)		(1,103,550)	
Purchase of other fixed assets		(17,704)		(3,858)	
Changes on short term deposits with banks		(57,538)		(1,018,708)	
<b>Net cash outflow from investing activities</b>			(1,579,733)		(2,126,116)
<b>Financing Activities</b>					
Interest received on cash and cash equivalents		150,476		21,216	
Interest paid on loans		(1,299,638)		(1,016,817)	
Loan principal repayments		(954,256)		(891,942)	
Share Capital Issued	20	2		6	
<b>Net cash outflow from financing activities</b>			(2,103,416)		(1,887,537)
<b>Increase/(decrease) in cash</b>	21		77,351		(312,128)
<b>Opening cash &amp; cash equivalents</b>			3,730,609		4,042,737
<b>Closing cash &amp; cash equivalents</b>			<b>3,807,960</b>		<b>3,730,609</b>
<b>Cash and cash equivalents as at 31 March</b>					
Cash	21		3,807,960		3,730,609
			<b>3,807,960</b>		<b>3,730,609</b>

The notes on pages 18 to 39 form an integral part of these financial statements.

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2023

	Share Capital	Strathclyde Pension Reserve	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£	£
<b>Balance as at 1 April 2021</b>	116	(715,000)	(684,000)	33,655,278	32,256,394
Issue of Shares	6	-	-	-	6
Cancellation of Shares	(7)	-	-	-	(7)
Other comprehensive income	-	545,000	512,000	-	1,057,000
Other movements	-	(102,000)	114,000	(12,000)	-
Surplus for the year	-	-	-	1,459,957	1,459,957
<b>Balance as at 31 March 2022</b>	<b>115</b>	<b>(272,000)</b>	<b>(58,000)</b>	<b>35,103,235</b>	<b>34,773,350</b>
<b>Balance as at 1 April 2022</b>	115	(272,000)	(58,000)	35,103,235	34,773,350
Issue of Shares	2	-	-	-	2
Cancellation of Shares	(18)	-	-	-	(18)
Other comprehensive income	-	341,000	(329,000)	-	12,000
Other movements	-	(69,000)	141,000	(72,000)	-
Surplus for the year	-	-	-	1,617,771	1,617,771
<b>Balance as at 31 March 2023</b>	<b>99</b>	<b>-</b>	<b>(246,000)</b>	<b>36,649,006</b>	<b>36,403,105</b>

The notes on pages 18 to 39 form an integral part of these financial statements.

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 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 2019. 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 participates in the Scottish Housing Association Pension Scheme (SHAPS) 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.

#### 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.

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 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>
Land	Not depreciated
Structure	Over 100 years
Roof	Over 50 years
Radiators	Over 30 years
Windows	Over 25 years
Kitchen	Over 20 years
Bathroom	Over 20 years
Boilers	Over 15 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>
Fixtures and Fittings	Over 4 years
Office Property	Over 15 years
New Office Property	Over 50 years
Commercial Premises	Over 10 years
Computer Equipment	Over 3 years

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

First tranche shared ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the statement of recommended practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the statement of comprehensive income.

Disposals under shared equity schemes are accounted for in the statement of comprehensive income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

##### Taxation

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

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 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.

#### **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.

#### **Basis of Consolidation**

The Association has obtained exemption from the Financial Conduct Authority from producing Consolidated Financial Statements as provided by Section 14(2A) of the Friendly and Industrial and Provident Societies Act 1968. The financial statements for Tollcross Housing Association Limited present information about it as an individual undertaking and not about the group.

#### **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.

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 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 the Association to exercise judgement in applying the it's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below.

#### 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 29.

Accounting entries in respect of transactions regarding the Strathclyde Pension Scheme within the financial statements are based on the actuary's report on the scheme. The actuary has a number of assumptions in their calculations and details of any key assumptions are included within the notes to the financial statements.

#### Estimation Uncertainty

##### *a) Valuation of housing properties*

The Association estimates housing proprties at deemed cost which is based on existing use valuations at the date of transition to FRS 102 at 1 April 2014.

##### *b) Useful lives of other fixed assets*

The useful lives of other fixed assets are based on the knowledge of senior management at the Association, with reference to expected asset life cycles.

##### *c) Main Components of Housing Properties and their useful lives*

These components were identified by knowledgeable and experienced staff members and based on costing models.

##### *d) Recoverable amount of rental and other trade receivables*

The Association reviews rental arrears and other trade receivables with appropriately experienced senior management on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taking into account.

##### *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.

##### *f) Allocation of costs for shared ownership*

The Association allocate management and administration costs on the basis of rental income that shared ownership propertes represent of the Association's total rental income.

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

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

		2023			2022		
	Notes	Turnover	Operating costs	Operating surplus / (deficit)	Turnover	Operating costs	Operating surplus / (deficit)
		£	£	£	£	£	£
Affordable letting activities	3	9,856,073	7,036,538	2,819,535	9,476,972	6,957,937	2,519,035
Other Activities	4	194,368	246,970	(52,602)	140,480	203,957	(63,477)
<b>Total</b>		<b>10,050,441</b>	<b>7,283,508</b>	<b>2,766,933</b>	<b>9,617,452</b>	<b>7,161,894</b>	<b>2,455,558</b>

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

	General Needs Housing	Supported Housing	Shared Ownership	2023 Total	2022 Total
	£	£	£	£	£
<b>Revenue from Lettings</b>					
Rent receivable net of service charges	9,218,651	255,060	38,908	9,512,619	9,185,045
Service charges receivable	171,296	-	-	171,296	182,291
<b>Gross income from rent and service charges</b>	<b>9,389,947</b>	<b>255,060</b>	<b>38,908</b>	<b>9,683,915</b>	<b>9,367,336</b>
Less: Rent losses from voids	64,654	7,808	-	72,462	99,117
<b>Income from rents and service charges</b>	<b>9,325,293</b>	<b>247,252</b>	<b>38,908</b>	<b>9,611,453</b>	<b>9,268,219</b>
Grants released from deferred income	197,653	-	-	197,653	197,258
Other revenue grants	46,967	-	-	46,967	11,495
<b>Total turnover from affordable letting activities</b>	<b>9,569,913</b>	<b>247,252</b>	<b>38,908</b>	<b>9,856,073</b>	<b>9,476,972</b>
<b>Expenditure on affordable letting activities</b>					
Management and maintenance administration costs	2,860,787	-	-	2,860,787	2,872,592
Service costs	540,965	-	-	540,965	485,804
Planned and cyclical maintenance, including major repairs	895,650	-	-	895,650	941,726
Reactive maintenance costs	1,274,565	-	-	1,274,565	1,252,639
Bad Debts - rents and service charges	38,677	-	-	38,677	12,892
Depreciation of affordable let properties	1,425,894	-	-	1,425,894	1,392,284
<b>Operating costs of affordable letting activities</b>	<b>7,036,538</b>	<b>-</b>	<b>-</b>	<b>7,036,538</b>	<b>6,957,937</b>
<b>Operating surplus on affordable letting activities</b>	<b>2,533,375</b>	<b>247,252</b>	<b>38,908</b>	<b>2,819,535</b>	<b>2,519,035</b>
<b>2022</b>	<b>2,244,290</b>	<b>235,942</b>	<b>38,803</b>		



# TOLLCROSS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023  
 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) 2023	Operating surplus / (deficit) 2022
	£	£	£	£	£	£	£	£	£
Wider role activities	-	46,000	-	-	46,000	-	183,724	(137,724)	(119,038)
Factoring	-	-	-	98,515	98,515	-	63,246	35,269	18,864
Support activities	-	-	-	31,222	31,222	-	-	31,222	26,458
Other activities	-	-	-	18,631	18,631	-	-	18,631	10,239
<b>Total From Other Activities</b>	<b>-</b>	<b>46,000</b>	<b>-</b>	<b>148,368</b>	<b>194,368</b>	<b>-</b>	<b>246,970</b>	<b>(52,602)</b>	<b>(63,477)</b>
<b>2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140,480</b>	<b>140,480</b>	<b>-</b>	<b>203,957</b>	<b>(63,477)</b>	

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5. OFFICERS' EMOLUMENTS

	2023 £	2022 £
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	294,030	345,919
Pension contributions made on behalf on Officers with emoluments greater than £60,000	53,327	59,726
Emoluments payable to Chief Executive (excluding pension contributions)	85,416	81,723
Pension contributions paid on behalf of the Chief Executive	14,088	13,533
Total emoluments payable to the Chief Executive	99,504	95,256
Total emoluments paid to key management personnel	412,061	405,645

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	3
£80,001 to £90,000	2	1
£90,001 to £100,000	1	1

### 6. EMPLOYEE INFORMATION

	2023 No.	2022 No.
Average monthly number of full time equivalent persons employed during the year	42	42
Average total number of employees employed during the year	44	44
Staff costs were:	£	£
Wages and salaries	1,613,094	1,681,322
National insurance costs	158,205	154,688
Pension costs	225,654	245,286
Temporary, agency and seconded staff	27,708	19,185
	2,024,661	2,100,481

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	1,291,638	988,817
SHAPS defined benefit pension liability - interest charge	-	13,000
Strathclyde Pension Fund - interest expense	8,000	15,000
	<u>1,299,638</u>	<u>1,016,817</u>

### 8. SURPLUS FOR THE YEAR

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	1,443,021	1,452,926
Loss on component disposals	80,776	106,432
Auditors' remuneration - audit services	15,180	13,800
Auditors' remuneration - other services	520	480
	<u>1,544,507</u>	<u>1,673,638</u>

### 9. CORPORATION TAX

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

# TOLLCROSS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)

## 10. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Mortgage to Rent Properties £	Total £
<b>COST</b>					
At 1 April 2022	68,615,514	277,313	456,797	490,180	69,839,804
Additions	1,383,249	102,599	-	18,643	1,504,491
Disposals	(155,496)	-	-	(3,703)	(159,199)
Transfers	63,779	-	(63,779)	-	-
At 31 March 2023	<u>69,907,046</u>	<u>379,912</u>	<u>393,018</u>	<u>505,120</u>	<u>71,185,096</u>
<b>DEPRECIATION</b>					
At 1 April 2022	8,029,115	-	40,832	51,288	8,121,235
Charge for Year	1,332,099	-	4,384	8,634	1,345,117
Transfers	5,742	-	(5,742)	-	-
Disposals	(76,888)	-	-	(1,535)	(78,423)
At 31 March 2023	<u>9,290,068</u>	<u>-</u>	<u>39,474</u>	<u>58,387</u>	<u>9,387,929</u>
<b>NET BOOK VALUE</b>					
At 31 March 2023	<u>60,616,978</u>	<u>379,912</u>	<u>353,544</u>	<u>446,733</u>	<u>61,797,167</u>
At 31 March 2022	<u>60,586,399</u>	<u>277,313</u>	<u>415,965</u>	<u>438,892</u>	<u>61,718,569</u>

	2023		2022	
	<i>Component replacement</i> £	<i>Improvement</i> £	<i>Component replacement</i> £	<i>Improvement</i> £
<b>Expenditure on Existing Properties</b>				
Amounts capitalised	1,345,419	-	1,103,550	-
Amounts charged to the statement of comprehensive income	-	2,170,215	-	2,194,365
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £36,284,575 (2022 - £35,937,808)

# TOLLCROSS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 10. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises and lock ups £	Fixtures, fittings & Equipment £	Machinery & Equipment £	Computer Equipment £	Total £
<b>COST</b>					
At 1 April 2022	4,157,873	284,176	-	-	4,442,049
Additions	-	17,704	-	-	17,704
Eliminated on disposals	-	(2,137)	-	-	(2,137)
	<u>4,157,873</u>	<u>299,743</u>	<u>-</u>	<u>-</u>	<u>4,457,616</u>
At 31 March 2023	4,157,873	299,743	-	-	4,457,616
<b>DEPRECIATION</b>					
At 1 April 2022	510,924	270,092	-	-	781,016
Charge for year	79,282	18,622	-	-	97,904
Eliminated on disposals	-	(2,137)	-	-	(2,137)
	<u>590,206</u>	<u>286,577</u>	<u>-</u>	<u>-</u>	<u>876,783</u>
At 31 March 2023	590,206	286,577	-	-	876,783
<b>NET BOOK VALUE</b>					
At 31 March 2023	<u>3,567,667</u>	<u>13,166</u>	<u>-</u>	<u>-</u>	<u>3,580,833</u>
At 31 March 2022	<u>3,646,949</u>	<u>14,084</u>	<u>-</u>	<u>-</u>	<u>3,661,033</u>

## 11. FIXED ASSET INVESTMENTS

	2023 £	2022 £
Subsidiary undertakings	1	1
	<u>1</u>	<u>1</u>

### Subsidiary Undertakings

Tollcross Housing Association Limited has the following wholly owned subsidiary undertakings. The registered office of the subsidiary is 868 Tollcross Road, Glasgow, G32 8PF.

	2023 Reserves £	Profit / (Loss) £	2022 Reserves £	Profit / (Loss) £
Auchenshuggle Develops Limited	<u>11,375</u>	<u>11,374</u>	<u>13,300</u>	<u>13,299</u>

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 12. RECEIVABLES

	2023	2022
	£	£
Gross arrears of rent and service charges	309,717	324,352
<b>Less:</b> Provision for doubtful debts	<u>(184,562)</u>	<u>(201,916)</u>
<i>Net arrears of rent and service charges</i>	125,155	122,436
Prepayments and accrued income	205,733	109,881
Other receivables	46,249	33,104
Amounts due from group undertakings	31,372	26,464
	<u>408,509</u>	<u>291,885</u>

### 13. CURRENT ASSET INVESTMENTS

	2023	2022
	£	£
Current asset investments	7,249,810	7,192,272
	<u>7,249,810</u>	<u>7,192,272</u>

### 14. CASH AND CASH EQUIVALENTS

	2023	2022
	£	£
Cash at bank and in hand	1,132,956	1,065,824
Balances held in deposit accounts	2,675,004	2,664,785
	<u>3,807,960</u>	<u>3,730,609</u>

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	2023	2022
	£	£
Housing loans	1,045,868	954,257
Trade payables	203,045	102,299
Rent received in advance	708,244	669,537
Other taxation and social security	70,744	84,429
Other payables	223,519	180,046
Accruals and deferred income	236,317	549,493
	<u>2,487,737</u>	<u>2,540,061</u>

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

	2023	2022
	£	£
Housing loans	26,338,620	27,384,487
	<u>26,338,620</u>	<u>27,384,487</u>

### 17. DEBT ANALYSIS - BORROWINGS

	2023	2022
	£	£
<b>Housing Loans</b>		
Amounts due within one year	1,045,868	954,257
Amounts due in one year or more but less than two years	1,049,983	1,045,868
Amounts due in two years or more but less than five years	7,842,879	7,596,304
Amounts due in more than five years	17,445,758	18,742,315
	<u>27,384,488</u>	<u>28,338,744</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>Effective Interest Rate</b>	<b>Maturity (Year)</b>	<b>Variable or Fixed</b>
Royal Bank of Scotland	1,500	5.2%	2041	Fixed
Royal Bank of Scotland	1,500	6.3%	2029	Variable
Royal Bank of Scotland	1,500	6.3%	2037	Variable
Royal Bank of Scotland	1,500	6.1%	2025	Variable
Clydesdale Bank	370	5.9%	2030	Variable

All the Association's bank borrowings are repayable on a quarterly basis with the principal being amortised over the term of the loans.

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 18. RETIREMENT BENEFIT OBLIGATIONS

Tollcross Housing Association participates in two pension schemes: the Scottish Housing Association Pension Scheme and the Strathclyde Pension Fund.

#### Scottish Housing Association Pension Scheme

Tollcross Housing Association Limited participates 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 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)

	2023	2022	2021
	£	£	£
Fair value of plan assets	4,489,000	6,764,000	6,373,000
Present value of defined benefit obligation	4,735,000	6,822,000	7,057,000
Surplus / (deficit) in plan	(246,000)	(58,000)	(684,000)
Unrecognised surplus	-	-	-
Defined benefit asset / (liability) to be recognised	(246,000)	(58,000)	(684,000)



# TOLLCROSS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 18. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

#### Reconciliation of opening and closing balances of the defined benefit obligation

	2023 £	2022 £
Defined benefit obligation at the start of period	6,822,000	7,057,000
Current service cost	58,000	147,000
Expenses	6,000	6,000
Interest expense	189,000	154,000
Contributions by plan participants	90,000	92,000
Actuarial losses (gains) due to scheme experience	(234,000)	48,000
Actuarial losses (gains) due to changes in demographic assumptions	(109,000)	22,000
Actuarial losses (gains) due to changes in financial assumptions	(1,824,000)	(563,000)
Benefits paid and expenses	(263,000)	(141,000)
Defined benefit obligation at the end of period	<u>4,735,000</u>	<u>6,822,000</u>

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

	2023 £	2022 £
Fair value of plan assets at start of period	6,764,000	6,373,000
Interest income	189,000	141,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(2,496,000)	19,000
Contributions by the employer	205,000	280,000
Contributions by plan participants	90,000	92,000
Benefits paid and expenses	(263,000)	(141,000)
Fair value of plan assets at the end of period	<u>4,489,000</u>	<u>6,764,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2023 was (£2,307,000).

# TOLLCROSS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023  
 NOTES TO THE FINANCIAL STATEMENTS (continued)

## 18. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

#### Defined benefit costs recognised in the statement of comprehensive income

	2023 £	2022 £
Current service cost	58,000	147,000
Expenses	6,000	6,000
Net interest expense	-	13,000
	<u>64,000</u>	<u>166,000</u>
Defined benefit costs recognised in statement of comprehensive income	<u>64,000</u>	<u>166,000</u>

#### Defined benefit costs recognised in the other comprehensive income

	2023 £	2022 £
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	(2,496,000)	19,000
Experience gains and losses arising on plan liabilities - gain /(loss)	234,000	(48,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	109,000	(22,000)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	1,824,000	563,000
	<u>(329,000)</u>	<u>512,000</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	<u>(329,000)</u>	<u>512,000</u>
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain / (loss)	-	-
	<u>(329,000)</u>	<u>512,000</u>
Total amount recognised in other comprehensive income - gain (loss)	<u>(329,000)</u>	<u>512,000</u>

# TOLLGROSS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 18. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

#### Assets

	2023	2022	2021
	£	£	£
Absolute Return	61,000	310,000	314,000
Alternative Risk Premia	26,000	279,000	256,000
Corporate Bond Fund	6,000	428,000	481,000
Credit Relative Value	171,000	217,000	184,000
Distressed Opportunities	138,000	242,000	218,000
Emerging Markets Debt	35,000	252,000	257,000
Currency Hedging	9,000	(25,000)	-
Global Equity	118,000	1,337,000	986,000
Infrastructure	484,000	422,000	356,000
Insurance-Linked Securities	125,000	142,000	133,000
Liability Driven Investment	1,901,000	1,637,000	1,532,000
Long Lease Property	150,000	195,000	148,000
Net Current Assets	10,000	22,000	47,000
Over 15 Year Gilts	-	3,000	3,000
Private Debt	201,000	170,000	150,000
Property	187,000	175,000	114,000
Risk Sharing	327,000	221,000	228,000
Secured Income	300,000	361,000	350,000
Opportunistic Illiquid Credit	198,000	224,000	163,000
High Yield	23,000	66,000	167,000
Cash	19,000	19,000	2,000
Liquid Credit	-	43,000	110,000
Opportunistic Credit	-	24,000	174,000
Total assets	<u>4,489,000</u>	<u>6,764,000</u>	<u>6,373,000</u>

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

	2023	2022	2021
Discount Rate	4.9%	2.8%	2.2%
Inflation (RPI)	3.2%	3.6%	3.3%
Inflation (CPI)	2.7%	3.2%	2.9%
Salary Growth	3.7%	4.2%	3.9%

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

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65 years (years)
Male retiring in 2023	20.5
Female retiring in 2023	23.0
Male retiring in 2043	21.7
Female retiring in 2043	<u>24.4</u>

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 18. RETIREMENT BENEFIT OBLIGATIONS (continued)

#### Strathclyde Pension Fund Defined Benefit Scheme

The Association operates a defined benefit scheme as an admitted body under the Strathclyde Pension Fund, 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 2023	2023 %p.a.	2022 %p.a.	2021 %p.a.
Pension Increase Rate (CPI)	2.95	3.20	2.85
Salary Increase Rate	3.65	3.90	3.55
Discount Rate	4.75	2.70	2.00

#### Members of the Scheme

	2023 No	2022 No
Employee members	12	12
Deferred pensioners	1	1
Pensioners	-	-
	<u>13</u>	<u>13</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	2023 % p.a.	2022 % p.a.
Equities	60	64
Bonds	28	24
Property	10	10
Cash	2	2
<b>Total</b>	<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	19.3	22.2
Future Pensioners	20.5	24.2

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 18. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

<b>Net Pension Liability</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Fair value of employer's assets	3,773,000	3,739,000
Present value of scheme liabilities	(2,586,000)	(4,011,000)
	1,187,000	(272,000)
Surplus on assets not recognised	(1,187,000)	-
	-	(272,000)

#### Reconciliation of fair value of employer assets

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Opening fair value of employer assets	3,739,000	3,356,000
Expected return on assets	102,000	68,000
Contributions by members	24,000	28,000
Contributions by the employer	98,000	115,000
Actuarial gains / (losses)	(162,000)	194,000
Estimated benefits paid	(28,000)	(22,000)
	3,773,000	3,739,000

#### Reconciliation of defined benefit obligations

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	4,011,000	4,071,000
Current service cost	159,000	202,000
Interest cost	110,000	83,000
Contributions by members	24,000	28,000
Actuarial gains / (losses)	(1,690,000)	(351,000)
Estimated benefits paid	(28,000)	(22,000)
	2,586,000	4,011,000

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 18. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

##### Analysis of amount charged to the statement of comprehensive income

	2023 £	2022 £	2021 £
Charged to operating costs:			
Service cost	159,000	202,000	230,000
	<u>159,000</u>	<u>202,000</u>	<u>230,000</u>
Charged to other finance costs / (income)			
Expected return on employer assets	(102,000)	(68,000)	
Interest on pension scheme liabilities	110,000	83,000	
	<u>8,000</u>	<u>15,000</u>	<u>-</u>
<b>Net charge to the statement of comprehensive income</b>	<u>167,000</u>	<u>217,000</u>	<u>230,000</u>

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

	2023 £	2022 £	2021 £
Actuarial gain/(loss) recognised in year	1,528,000	545,000	(156,000)
Restriction on surplus	1,187,000	-	-
Cumulative actuarial gains	<u>2,234,000</u>	<u>706,000</u>	<u>161,000</u>

##### Analysis of projected amount to be charged to the statement of comprehensive income for the year ended 31 March 2024

	£	% of pay	% of pay
Projected current service cost	78,000	(21)	(21)
Interest on obligation	124,000	(34)	(34)
Expected return on plan assets	(181,000)	49	49
	<u>21,000</u>	<u>(6)</u>	<u>(6)</u>

Contributions made by the Association for the year ended 31 March 2024 are estimated to be approximately £110,000.

# TOLLCROSS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 19. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Non Housing Grants £	Total £
<b>Capital grants received</b>				
At 1 April 2022	11,566,471	-	-	11,566,471
Amortisation in year	197,653	-	-	197,653
<b>Net book value</b>				
At 31 March 2023	<u>11,368,818</u>	<u>-</u>	<u>-</u>	<u>11,368,818</u>
At 31 March 2022	<u>11,566,471</u>	<u>-</u>	<u>-</u>	<u>11,566,471</u>

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

	2023 £	2022 £
Amounts due within one year	197,145	197,258
Amounts due in more than one year	11,171,673	11,369,213
	<u>11,368,818</u>	<u>11,566,471</u>

## 20. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2023 £	2022 £
At 1 April	115	116
Issued in year	2	6
Cancelled in year	(18)	(7)
At 31 March	<u>99</u>	<u>115</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.

# TOLLCROSS HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 21. CASH FLOWS

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

	2023	2022
	£	£
Increase / (decrease) in cash	77,351	(312,128)
Change in liquid resources	57,538	1,018,708
Cashflow from change in net debt	954,256	891,942
Movement in net debt during the year	1,089,145	1,598,522
Net debt at 1 April	(17,415,863)	(19,014,385)
Net debt at 31 March	(16,326,718)	(17,415,863)

	At 01 April 2022	Cashflows	Other Changes	At 31 March 2023
	£	£	£	£
Cash and cash equivalents	3,730,609	77,351	-	3,807,960
Bank overdrafts	-	-	-	-
	3,730,609	77,351	-	3,807,960
Liquid resources	7,192,272	57,538	-	7,249,810
Debt: Due within one year	(954,257)	954,256	(1,045,867)	(1,045,868)
Due after more than one year	(27,384,487)	-	1,045,867	(26,338,620)
Net debt	(17,415,863)	1,089,145	-	(16,326,718)

### 22. COMMITMENTS UNDER OPERATING LEASES

	2023	2022
	£	£
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	-	1,662

### 23. FUTURE OPERATING INCOME

	2023	2022
	£	£
At the year end, the total minimum lease payments under non-cancellable operating		
<b>Land and Buildings</b>		
Expiring in the next year	7,200	28,800
Expiring later than one year and not later than five years	-	14,400
Expiring later than five years	-	-

### 24. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 868 Tollcross Road , Glasgow , G32 8PF .

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

### 25. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £4,658 (2022 - £2,188) in the year by way of reimbursement of expenses. No remuneration is paid to members in respect of their duties to the Association.



# TOLLCROSS HOUSING ASSOCIATION LIMITE

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 27. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2023 No.	2022 No.
General needs	2,228	2,226
Supported housing	57	58
Shared ownership	15	17
Mid-market rent	12	12
	<u>2,312</u>	<u>2,313</u>

### 28. 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:

	2023 £	2022 £
Rent received from tenants on the Management Committee and their close family members	<u>41,352</u>	<u>38,567</u>

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £132 (2022 - £116).

Members of the Management Committee who are tenants	10	11
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During the year the Association charged rent of £28,800 (2022 - £28,800) to its subsidiary, Auchenshuggle Develops Limited and a management charge of £31,222 (2022 - £26,451). The amount due by the subsidiary included within debtors at the year end is £31,372 (2022 - £26,464).

### 29. 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.