

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

Yoker Housing Association Limited

Incorporated on the 15th of June 1979

2310 Dumbarton Road, Yoker, Glasgow G14 0JS

FCA Reg No. 1998(R)S, Registered with The Scottish Housing Regulator No. HAL 208, Scottish Charity No. SC 036604, Property Factor Reg No. PF000335

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

CONTENTS

Management Committee, Executives & Advisers	Page	1
Report of the Management Committee		2
Report by the Auditors on Corporate Governance Matters		5
Report of the Auditors		6
Statement of Comprehensive Income		8
Statement of Financial Position		9
Statement of Cash Flows		10
Statement of Changes in Equity		11
Notes to the Financial Statements		12

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

MANAGEMENT COMMITTEE, EXECUTIVES & ADVISERS

Management Committee

G. Shields, Chairman (Re-elected 22.06.22)
M. Ballantyne (Re-elected 22.09.21)
E. Busby (Re-elected 22.06.22)
Donnelly, L (Elected 16.09.20)
A. Fleming (Re-elected 22.09.21)
A. Jarvis (Re-elected 22.06.22)
M. McKendrick (Elected 22.09.21)

M. Parker (Re-elected 22.06.22)
J. Porter (Re-elected 22.09.21)
I. Ryan (Elected 16.09.20)
M. Thompson (Elected 22.06.22)
C. Walker (Re-elected 22.06.22)
A. Wronowska (Re-elected 22.09.21)
R. Vandermotten (Elected 22.09.21)

Secretary

Kevin R. Freeman

Executive Officer

Christopher J. Forrest B.Acc., C.A., Director

Registered Office

2310 Dumbarton Road
Yoker
Glasgow
G14 0JS

Auditors (External)

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

Auditors (Internal)

Wylie & Bisset LLP
Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

Bankers

The Bank of Scotland plc
The Mound
Edinburgh
EH1 1YZ

Solicitors

Mitchells Robertson, Solicitors
George House
36 North Hanover St
Glasgow
G1 2AD

MacRoberts, Solicitors
Excel House
30 Semple St
Edinburgh
EH3 8BL

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

REPORT OF THE MANAGEMENT COMMITTEE

The Management Committee presents its Report and Financial Statements for the year ended 31st March 2023.

Legal Status

The Association is registered as a non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.1998(R)S. The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC036604.

Principal Activities

The Association is a Registered Scottish Charity and provides relief to those in need by reason of age, ill health (whether related to mental or physical health), disability (whether due to mental or physical health issues or learning disabilities), financial hardship or other disadvantage, both to individual persons or to a group of persons with similar needs and issues by:

1. providing, constructing, improving and managing land, accommodation and associated facilities and providing care;
2. providing or arranging home maintenance repair and improvement services and providing facilities and services for the benefit of such people either exclusively for them or together with other persons;
3. undertaking any activities which are charitable, allowed under section 58 of the Housing (Scotland) Act 2011, including any statutory amendment or re-enactment of the provisions of the section from time to time being in force; and
4. carrying on any other charitable activities permitted by registered social landlords from time to time.

Review of Business and Future Developments

The Association's overall aim is to help sustain the community of Yoker through the provision of quality housing and services, which will meet the diverse needs and aspirations of its customers.

The development of the site of the former Blawarthill Hospital remains on schedule to complete in the autumn of 2023. This development will add fifteen new homes to complement the four refurbished homes completed on the site in 2021. These homes will be highly energy efficient "passive" housing as part of the Association's commitment to introducing low-energy homes across all of its housing stock.

While construction and development of new housing for rent continues to be pursued by the Association, resources are also being applied to planned and major repairs and maintenance of existing housing stock. This is reflected in a significant increase in planned maintenance expenditure during the year. The Association also remains committed to a programme of acquiring additional tenement properties in order to facilitate common repairs and improvements.

The members of the Management Committee are of the opinion that the state of affairs of the Association is satisfactory. The surplus for the year, after taxation, was £702,894 (2022 - £993,076). Net Assets now stand at £16,836,452 (2022 - £16,133,530).

The Past

The Association has 648 properties for rent and provides management services to 275 properties in the ownership of others. The Association has continued to manage and maintain these houses to a high standard, reinforcing its commitment to good quality houses at affordable rents.

Current year

The Association has continued to invest in its housing stock and to maintain the standard of properties that it offers to residents through its programme of planned repairs, reactive repairs and property inspections. The significant increase in expenditure on planned maintenance during the year by the Association is reflected in a reduced surplus. The Association will continue with this programme of investment as part of its commitment to maintain the structural integrity and condition of its properties.

The Association has continued to work towards maintaining performance in repair response times, arrears levels, void property losses and customer service over the past year.

The Future

The Association will focus on maintaining the high levels of performance that it has achieved. The Association's overall focus remains on working towards the objectives and targets agreed within its Business Plan and ensuring that it achieves value for money and improvement in all its areas of operation. Energy efficiency measures will continue to be introduced where economically viable with a view to meeting and exceeding statutory and regulatory requirements.

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

REPORT OF THE MANAGEMENT COMMITTEE (Continued)

Management Committee & 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 which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those Financial Statements, the Management Committee is required to:-

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

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

The Management Committee must, in determining how amounts are presented within items in the statement of comprehensive income and statement of financial position, have regard to the substance of the reported transaction or arrangement in accordance with generally accepted accounting principles and practice.

In so far as the Management Committee are aware:

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

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

REPORT OF THE MANAGEMENT COMMITTEE (Continued)

Statement on Internal Financial Control

The Management Committee acknowledge their 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 the 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 the 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 receive reports from management and from the external and internal auditors, to provide reasonable assurance that internal financial controls are in place and are effective and that a general review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The governing body has reviewed the effectiveness of the systems of internal financial control in existence in the Association for the year ended 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.


Donations

During the year the Association made charitable donations amounting to £nil (2022 - £nil).

Auditors

A resolution to re-appoint the Auditors, Alexander Sloan, will be proposed at the Annual General Meeting.

By order of the Management Committee


Kevin R. Freeman
Secretary

Glasgow, 4th May 2023

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF YOKER HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on Page 4 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements relating 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 reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 4 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 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.



ALEXANDER SLOAN

Accountants and Business Advisers

Glasgow, 4th May 2023

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

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

Opinion

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

Our responsibilities and the responsibilities of the 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 included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 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 3, the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YOKER HOUSING ASSOCIATION LIMITED (Continued) FOR THE YEAR ENDED 31 MARCH 2023

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.

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 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 as to where the Association considered there was susceptibility to fraud, its 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
- reviewing correspondence with the Scottish Housing Regulator.

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.

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

4th May 2023

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

STATEMENT OF COMPREHENSIVE INCOME for the Year Ended 31st March 2023

	Notes	2023	2022
		£	£
REVENUE	2	3,441,374	3,320,427
Operating Costs	2	<u>(2,798,451)</u>	<u>(2,339,553)</u>
OPERATING SURPLUS	7	642,923	980,874
Interest Receivable and Other Income		<u>59,971</u>	<u>12,202</u>
		<u>59,971</u>	<u>12,202</u>
SURPLUS FOR YEAR		<u><u>702,894</u></u>	<u><u>993,076</u></u>

The Notes on pages 12 to 20 form part of this report and financial statements. All amounts relate to continuing operations.

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

STATEMENT OF FINANCIAL POSITION as at the 31st of March 2023

	Notes	2023	2022
		£	£
NON CURRENT ASSETS			
Housing Properties - Depreciated Cost	12	33,383,471	31,826,525
Other Non Current Assets	12	1,161,594	1,231,315
		<u>34,545,065</u>	<u>33,057,840</u>
CURRENT ASSETS			
Inventories		4,018	4,543
Receivables	13	354,476	598,989
Cash at bank and in hand		5,166,391	5,270,752
		<u>5,524,885</u>	<u>5,874,284</u>
PAYABLES: Amounts falling due within one year	14	<u>(400,888)</u>	<u>(663,975)</u>
NET CURRENT ASSETS		<u>5,123,997</u>	<u>5,210,309</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>39,669,062</u>	<u>38,268,149</u>
PAYABLES: Amounts falling due after more than one year		-	-
DEFERRED INCOME			
Social Housing Grants	16	<u>(22,832,610)</u>	<u>(22,134,619)</u>
		<u>(22,832,610)</u>	<u>(22,134,619)</u>
NET ASSETS		<u><u>16,836,452</u></u>	<u><u>16,133,530</u></u>
EQUITY			
Share Capital	17	402	374
Revenue Reserves		<u>16,836,050</u>	<u>16,133,156</u>
		<u><u>16,836,452</u></u>	<u><u>16,133,530</u></u>

Signed on behalf of the Management Committee on 4th May 2023

G Shields
Chairman

M Parker
Committee Member

K Freeman
Secretary

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

STATEMENT OF CASH FLOWS for the year ended 31st March 2023

	Notes	2023	2022
		£	£
Net Cash Inflow from Operating Activities	15	785,667	1,246,170
Investing Activities			
Acquisition and Construction of Properties		(2,700,684)	(1,242,827)
Purchase of Other Fixed Assets		(1,063)	(36,191)
Social Housing Grant Received		1,774,043	105,322
Proceeds on Disposal of Other Fixed Assets		18,001	-
Net Cash (Outflow) from Investing Activities		(909,703)	(1,173,696)
Net Cash (Outflow) / Inflow before use of Liquid Resources and Financing		(124,036)	72,474
Financing Activities			
Interest Received on Cash and Cash Equivalents		19,637	8,885
Share Capital Issued		38	39
Net Cash Inflow from Financing Activities		19,675	8,924
(Decrease) / Increase in Cash		(104,361)	81,398
Opening Cash and Cash Equivalents		5,270,752	5,189,354
Closing Cash and Cash Equivalents		5,166,391	5,270,752

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

STATEMENT OF CHANGES IN EQUITY for the Year Ended 31st March 2023

	Share Capital £	Revenue Reserve £	Total £
Balance as at 1 April 2022	374	16,133,156	16,133,530
Issue of Shares	38	-	38
Cancellation of Shares	(10)	-	(10)
Surplus For Year	-	702,894	702,894
Balance as at 31 March 2023	<u>402</u>	<u>16,836,050</u>	<u>16,836,452</u>

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice for social housing providers 2014. The Association is a public benefit entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods beginning on or after the 1st of January 2015.

Revenue

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

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

Retirement Benefits

The Association participates in the Scottish Housing Associations Pension Scheme and 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 Associations taken as a whole.

The Association accounts for amounts that it has agreed to pay towards the Scheme deficit in accordance with paragraph 28.11A of FRS102. The present value of this liability has been recognised in the Statement of Financial Position. The discount rate applied to this obligation is that of a yield rate for a high quality corporate bond.

Valuation of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 11. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

<u>Component</u>	<u>Useful Economic Life</u>
Structure	50 yrs
Windows	25 yrs
Central heating boilers	15 yrs
Central heating infrastructure	25 yrs
Kitchens	15 yrs
Bathrooms	15 yrs
Electrical infrastructure	25 yrs
Lifts	25 yrs

Depreciation and Impairment of Other Non-Current Assets

Non-Current Assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:-

Office premises	- 2%
Furniture and equipment	- 25%
Motor vehicles	- 20%

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

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Social Housing Grant And Other Grants In Advance / Arrears

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

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

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

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

Sales of Housing Properties

Disposals of housing properties under the Right to Buy scheme are treated as non-current asset disposals and any gain or loss on disposal is accounted for in the Statement of Comprehensive Income.

Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying Yoker Housing Association Limited'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, is disclosed below:

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.

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.

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.

Key Judgements made in the application of Accounting Policies

a) The 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 FRS102.

b) Identification of cash generating units

The Association considers its cash-generating units to be the individual housing property units which it manages for asset management purposes.

c) Pension Liability

The Association understands that TPT Retirement Solutions (TPT), the Scottish Housing Associations' Pension Scheme's (SHAPS) administrators, intend to provide individual Associations with the option of obtaining a report detailing an estimate of their pension liabilities at their financial year end. That estimate of liabilities is to be used to allocate scheme assets to each individual Association on a pro-rata basis to facilitate defined benefit accounting disclosures. However the Management Committee does not consider that the method adopted in allocating assets on that basis provides sufficient information to facilitate defined benefit accounting disclosures with reasonable certainty. Accordingly, the Management Committee does not consider that there is sufficient information available to account for SHAPS as a defined benefit scheme in accordance with Financial Reporting Standard 102.

Financial Instruments - Basic

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.

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS

	Notes	2023			2022		
		Revenue	Operating Costs	Operating Surplus / (Deficit)	Revenue	Operating Costs	Operating Surplus / (Deficit)
		£	£	£	£	£	£
Affordable Letting Activities	3	3,409,125	(2,720,467)	688,658	3,287,277	(2,311,664)	975,613
Other Activities	4	32,249	(77,984)	(45,735)	33,150	(27,889)	5,261
Total		3,441,374	(2,798,451)	642,923	3,320,427	(2,339,553)	980,874

3. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing	2023 Total	2022 Total
	£	£	£
Revenue from affordable letting activities			
Rent receivable net of service charges	2,496,274	2,496,274	2,372,458
Service charges receivable	20,257	20,257	17,339
Gross income from rents and service charges	2,516,531	2,516,531	2,389,797
Less: Rent losses from voids - lettable	(113)	(113)	(303)
- unlettable	(10,921)	(10,921)	(11,680)
Net income from rents and service charges	2,505,497	2,505,497	2,377,814
Grants released from deferred income	886,973	886,973	892,654
Revenue grants from Scottish Ministers	16,655	16,655	16,809
Total revenue from affordable letting activities	3,409,125	3,409,125	3,287,277
Expenditure on social letting activities			
Management and maintenance administration costs	778,459	778,459	710,844
Service costs	19,882	19,882	18,515
Planned and cyclical maintenance including major repair costs	424,960	424,960	211,109
Reactive maintenance costs	330,422	330,422	254,805
Bad debts - rents and service charges	18,991	18,991	8,340
Depreciation of affordable let properties	1,147,753	1,147,753	1,108,051
Operating costs for affordable letting activities	2,720,467	2,720,467	2,311,664
Operating surplus for affordable letting activities	688,658	688,658	975,613

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st 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 £	Other Income £	Total Revenue £	Operating Costs Bad Debts £	Operating Costs Other £	Operating Surplus / (Deficit) 2023 £	Operating Surplus / (Deficit) 2022 £
Factoring	-	-	32,249	32,249	(45,521)	(32,463)	(45,735)	5,261
Total from other activities	-	-	32,249	32,249	(45,521)	(32,463)	(45,735)	5,261
2022	-	-	33,150	33,150	3,035	(30,924)	5,261	

The disclosure of turnover, operating costs and operating surplus from affordable letting activities has been stated to reflect the requirements of the Social Housing Statement of Recommended Practice and Financial Reporting Standard 102.

5. OFFICERS' EMOLUMENTS

The Officers are defined in s149 of the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers or employees of the Association. One officer of the Association received emoluments (excluding pension contributions) greater than £60,000 as follows:

	2023 £	2022 £
Gross salary	82,253	74,556
Car benefit	658	329
Professional subscriptions	520	495
Total emoluments payable to Chief Executive (excluding pension contributions)	83,431	75,380

There were no emoluments paid to key management personnel other than those stated above.

The Chief Executive is an ordinary member of the Association's pension scheme described in notes 1 and 25. No enhanced or special terms apply to his membership and he has no other pension arrangements to which the Association contributes. The Association's contributions for the Chief Executive in the year amounted to £30,008 (2022 - £28,826).

6. EMPLOYEE INFORMATION

	2023 No.	2022 No.
The average monthly number of full time equivalent persons employed during the year was	10.9	9.4
The average total number of persons employed during the year was	12.2	11.0
Staff Costs were:	£	£
Wages and Salaries	352,057	315,723
Social Security Costs	25,168	26,366
Other Pension Costs	111,385	114,621
	488,610	456,710

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. OPERATING SURPLUS

	2023	2022
	£	£
The Operating Surplus is stated after charging:-		
Depreciation - tangible owned fixed assets	1,209,588	1,193,127
Auditors' remuneration - audit services	7,500	6,825
Operating lease rentals - other	-	2,516
	<u> </u>	<u> </u>

8. TAX ON SURPLUS FOR YEAR

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

9. CAPITAL COMMITMENTS

	2023	2022
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	<u>2,420,000</u>	<u>3,793,000</u>

10. COMMITMENTS UNDER OPERATING LEASES

	2023	2022
	£	£
At the end of the year, the total future minimum lease payments under non-cancellable operating leases were as follows:		
Office Equipment		
Not later than one year	-	-
Later than one year and not later than five years	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

11. HOUSING STOCK

	2023	2022
	No.	No.
The number of units of accommodation in management at the year end was:-		
General Needs - New Build	130	130
- Improved	516	515
- Unimproved	2	2
	<u> </u>	<u> </u>
	<u>648</u>	<u>647</u>

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON CURRENT ASSETS

a) <u>Housing Properties</u>	Held for Letting £	In course of Construction £	Total £
COST			
At 1st April 2022	53,268,693	1,145,053	54,413,746
Additions	656,480	2,048,515	2,704,995
Scheme Transfers	-	-	-
Disposals	(178,566)	-	(178,566)
At 31st March 2023	<u>53,746,607</u>	<u>3,193,568</u>	<u>56,940,175</u>
DEPRECIATION			
At 1st April 2022	22,587,221	-	22,587,221
Eliminated on Disposals	(160,756)	-	(160,756)
Charge for Year	1,130,239	-	1,130,239
At 31st March 2023	<u>23,556,704</u>	<u>-</u>	<u>23,556,704</u>
NET BOOK VALUE			
At 31st March 2023	<u>30,189,903</u>	<u>3,193,568</u>	<u>33,383,471</u>
At 31st March 2022	<u>30,681,472</u>	<u>1,145,053</u>	<u>31,826,525</u>

Total expenditure on existing properties in the year amounted to £3,460,377 (2022 - £1,742,401). The amount capitalised was £2,704,995 (2022 - £1,276,487) with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £656,480 (2022 - £374,159) and improvement of £2,048,515 (2022 - £902,328). Additions to housing properties includes capitalised development administration costs of £nil (2022 - £nil). All housing properties are freehold.

b) <u>Other Non Current Assets</u>	Office Premises £	Motor Vehicles £	Furniture & Equipment £	Total £
COST				
At 1st April 2022	1,661,068	119,750	165,855	1,946,673
Additions	-	-	1,063	1,063
Disposals	-	(24,995)	-	(24,995)
At 31st March 2023	<u>1,661,068</u>	<u>94,755</u>	<u>166,918</u>	<u>1,922,741</u>
DEPRECIATION				
At 1st April 2022	495,027	72,839	147,492	715,358
Eliminated on Disposals	-	(17,596)	-	(17,596)
Charge for year	41,890	13,452	8,043	63,385
At 31st March 2023	<u>536,917</u>	<u>68,695</u>	<u>155,535</u>	<u>761,147</u>
NET BOOK VALUE				
At 31st March 2023	<u>1,124,151</u>	<u>26,060</u>	<u>11,383</u>	<u>1,161,594</u>
At 31st March 2022	<u>1,166,041</u>	<u>46,911</u>	<u>18,363</u>	<u>1,231,315</u>

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. RECEIVABLES: Amounts Receivable within One Year

	2023	2022
	£	£
Arrears of Rent & Service Charges	91,782	79,798
Less: Provision for Doubtful Debts	(78,869)	(67,511)
	<u>12,913</u>	<u>12,287</u>
Social Housing Grant Receivable	265,289	454,367
Other Receivables	17,818	12,169
Prepayments and Accrued Income	58,456	120,166
	<u><u>354,476</u></u>	<u><u>598,989</u></u>

14. PAYABLES: Amounts falling due within one year

	2023	2022
	£	£
Trade Payables	51,629	253,305
Rent in Advance	161,516	155,610
Social Housing Grant in Advance	-	-
Other Payables	138,870	111,793
Accruals and Deferred Income	48,873	143,267
	<u>400,888</u>	<u>663,975</u>

15. STATEMENT OF CASH FLOWS

<i>a) Reconciliation of operating surplus to balance as at 1st April 2023</i>	2023	2022
	£	£
Operating Surplus	642,923	980,874
Depreciation	1,209,588	1,193,127
Amortisation of Social Housing Grants	(885,128)	(888,916)
Decrease / (Increase) in Stocks	525	(720)
Decrease in Receivables	14,849	100,635
(Decrease) in Payables	(186,478)	(138,809)
(Gain) on Disposal of Other Fixed Assets	(10,602)	-
Share Capital Written Off	(10)	(21)
Net Cash Inflow from Operating Activities	<u><u>785,667</u></u>	<u><u>1,246,170</u></u>

YOKER HOUSING ASSOCIATION LIMITED

REPORT & FINANCIAL STATEMENTS 31st March 2023

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. STATEMENT OF CASH FLOWS (Continued)

b) Reconciliation of net cash flow to movement in net funds

	£	£
Decrease in cash	(104,361)	
Cash flow from change in net debt	-	
	<hr/>	
Movement in net funds during year		(104,361)
Net funds at 1 April 2022		5,270,752
		<hr/>
Net funds at 31 March 2023		5,166,391
		<hr/> <hr/>

c) Analysis of changes in net funds

	At 01.04.22	Cashflows	Other Changes	At 31.03.23
	£	£	£	£
Cash at bank and in hand	5,270,752	(104,361)	-	5,166,391
	<hr/>	<hr/>	<hr/>	<hr/>
Net debt	5,270,752	(104,361)	-	5,166,391
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16. DEFERRED INCOME

	2023	2022
	£	£
<u>Social Housing Grants</u>		
Balance as at 1st April 2022	22,134,619	22,343,716
Additions in year	1,584,965	683,558
Released as a result of property component disposals	(1,846)	(3,739)
Amortised in year	(885,128)	(888,916)
	<hr/>	<hr/>
Balance as at 31st March 2023	22,832,610	22,134,619
	<hr/> <hr/>	<hr/> <hr/>
This is expected to be released to the Statement of Comprehensive Income as follows:		
Within one year	873,469	864,121
In more than one year	21,959,141	21,270,498
	<hr/>	<hr/>
	22,832,610	22,134,619
	<hr/> <hr/>	<hr/> <hr/>

17. SHARE CAPITAL

	£
Shares of £1 each Issued and Fully Paid	
At 1st April 2022	374
Issued in year	38
Cancelled in year	(10)
	<hr/>
At 31st March 2023	402
	<hr/> <hr/>

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. RELATED PARTY TRANSACTIONS

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

The related party relationships of the members of the Management Committee are summarised as follows:

- eleven members are tenants of the Association
- one member is a factored owner

Those committee members that are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage. Any transaction between the Association and an entity with which a Management Committee member has a connection is made at arm's length and under normal commercial terms.

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

- rent received from tenants on the Management Committee amounted to £39,755 (2022 - £38,348)
- factoring charges received from owners on the Management Committee amounted to £389 (2022 - £357)

At the year end total rent arrears owed by the tenant members of the Management Committee amounted to £208 (2022 - £264).

19. 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 2310 Dumbarton Road, Yoker, Glasgow G14 0JS.

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

20. RETIREMENT BENEFIT OBLIGATIONS

General

Yoker Housing Association Limited participates in the Scottish Housing Associations' Pension Scheme ("the Scheme").

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers as the scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS102 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30th 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, the liability of the withdrawing employer is re-apportioned amongst the remaining employers. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

All employers in the scheme entered into an agreement to make additional contributions to fund the Scheme's past service deficit. This obligation ceased on 30 September 2022 and no further deficit recovery plan was considered necessary following the 2021 valuation. Such obligations are recognised in terms of Para28.11A of FRS102. The Association chose to pay off its share of the past service deficit by a lump sum payment rather than by instalments. At the 31st of March 2023 the present value of this obligation was therefore £nil (2022: £nil).

Following the adoption of a salary sacrifice arrangement from the 1st of April 2020, the Association made payments totalling £111,385 (2022: £114,620) to the pension scheme during the year.