

Financial Statements

For the year ended 31 March 2024

Irvine Housing Association Limited

FCA Reference No. 2459RS

Registered Housing Association No. HAL280

Scottish Charity No. SC042251

Irvine Housing Association Limited
for the year ended 31 March 2024

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Irvine Housing Association Limited
for the year ended 31 March 2024

Company Information

Board of Management:

J Strang (Chair)
M Burgess
G Darroch
S Easton
J Galbraith
R Hill
A McInnes
P New
S Petrie
S Stewart
P Lynn

Company Secretary

Diana MacLean

Registered Office

44-46 Bank Street
Irvine
Ayrshire
KA12 0LP

Auditor

BDO
3 Hardman Street
Spinningfields
Manchester
M3 3AT

Banker

National Westminster Bank plc
Liverpool City Office
2-8 Church Street
Liverpool
L1 3BG

Solicitor

TC Young
Merchant House
7 West George Street
Glasgow
G2 1BA

Irvine Housing Association Limited
for the year ended 31 March 2024

Report of the Board of Management

The Board of Irvine Housing Association Limited presents its report together with the audited financial statements for the year ended 31 March 2024.

Principal activity

The principal activity of the association is the provision and management of affordable rented housing.

Basis of preparation

The accounts have been prepared on a going concern basis. In assessing the company's ability to continue as a going concern the directors have considered the principal risks faced by the company and its long-term viability. After due consideration, the directors are confident that the company has adequate resources to continue in operational existence for the foreseeable future. The company has access to considerable financial resources and is a key part of the strategic plans of The Riverside Group Limited. The directors believe that the company is well placed to manage its business risks successfully and the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Directors

The current members of the board of the association, who are also trustees of the charity, are listed on page 3.

Each member of the board holds one fully paid share of £1 in the association.

Subsequent Events

The directors confirm that there have been no events since the financial period end which have had a material effect on the financial position of the company.

Review of activities

Operating environment

Throughout financial year 2023/24 we have continued to encounter a challenging operating environment. Although we have seen the rate of inflation slow down, we are now dealing with the impact of higher costs to our business across many areas including insurance, investment in our properties, repairs, and maintenance. For our tenants, the cost-of-living crisis has continued and continues to affect their lives. This has led us to focus on investing our resources where it makes the biggest difference to our tenants. These initiatives are outlined below.

On the global stage, not only has the war in Ukraine continued its impact on economic and political factors but the escalation of the Israel / Gaza conflict has also seen tension rise in this region, leading to inevitable energy insecurity with its effect on oil prices. Although these have still to be realized, such turmoil will eventually impact on our business and our tenants.

At home in Scotland, the government announced cuts in the forthcoming 2024/25 affordable housing supply budget of 26%, a 27.7% cut to the Housing and Building Standards Budget and a 43% cut to the Affordable Housing Planning Budget.

This, coupled with a rise in construction costs over the past few years, will make the delivery of the Government's target of 110,000 homes by 2032 challenging.

2023/24 also saw the declaration of a Housing Emergency by several Local Authorities who can no longer meet their homelessness obligations due to rising demand, a lack of housing supply, and increasing costs. Across Scotland there are currently 10,000 children living in temporary accommodation and 30,000 households assessed as homeless with no offer of permanent accommodation.

This situation has not gone unnoticed by the Scottish Housing Regulator, Michael Cameron, who in a speech to the Chartered Institute of Housing confirmed that more Housing Associations were moving away from committing to development and focusing on their core business of housing management, prioritizing resources to existing tenants. This is in line with the Irvine Housing Association Board decision to pause development to focus on existing customers last year.

Report of the Board of Management (continued)

Regulation

During 2023, the Scottish Housing Regulator (SHR) consulted on revisions to the Regulatory Framework. This led to some small revisions to the Framework around Annual Assurance Statements and a further consultation on indicators for the Annual Return on the Charter in 2024. Following publicity around the use of failing RAAC (Reinforced Autoclaved Aerated Concrete) concrete in schools in England the Regulator has asked RSLs (Registered Social Landlords) to identify potential use of this building material in our social housing stock. Although our initial inspections lead us to believe this is a low-risk area for us, we will undertake physical inspections following our desktop analysis.

In May 2023 there was a visit from our Regulation Manager at SHR.

The visit focused on the board's approach to our Annual Assurance Statement (AAS) but also on our organisational approach to Damp and Mould in our properties. After the visit, the Regulator noted the following areas of good practice.

- the commitment shown by the board and staff to ensure a high level of compliance with regulatory standards,
- the accuracy of data submitted in the Annual Return on the Charter and a robust approach to tenant and resident health and safety.
- the level of appropriate challenge and scrutiny by board members, ensuring they have sufficient assurance in the above three areas.
- utilising SHR's 'Conducting Reviews of Compliance with the Regulatory Standards of Governance and Financial Management – Lessons Learned' to inform its approach to the submission of its AAS.
- the clear and robust process for completing and submitting the ARC (Annual Return on the Charter), including validation checks at various levels within the organisation to test the data is accurate; and
- utilising the resources available to Irvine from the wider group in our approach to tenant and resident safety duties, particularly the approach to monitoring and addressing instances of damp and mould.

Strategy and objectives

In 2023, we launched our new Corporate Plan for the next 3 years. The plan has 5 key objectives for delivery of our services which we delivered throughout 2023/24.

Objective 1: Warm safe and decent homes

This year we invested £1.7m across our stock on planned maintenance. We installed 139 new kitchens, 54 new bathrooms and 86 properties benefitted from window replacement through both our planned upgrade programme in 2023/24 and our reactive works.

In addition, we took a major step forward in our journey towards net zero, securing £1.5m of grant funding in April 2023. This meant that 294 homes, which were built almost a century ago, have benefited from significant energy efficiency upgrades. This included installation of internal wall insulation (IWI), replacement cavity wall insulation and a liquid damp proof course.

The funding from the Energy Company Obligation (ECO) scheme was spent on 1930s sandstone properties in Stakeford, Dumfries, with spending prioritised on the estates most poorly insulated properties – homes with energy performance certificate (EPC) ratings of D or below. The works undertaken in partnership with Glasgow-based Union Technical will improve the thermal efficiency of the homes to a high C EPC rating. Further benefits of the work include increased ventilation, reduced carbon emissions and eradication of black spot mould. To allow households to control their heating and hot water without having to rely on being connected to a Wi-Fi network, Irvine has also installed Switchee smart thermostats in these homes.

Furthermore, through the community benefit clauses in our contracts, we were able to secure £5,000 of community benefits from our contractor to benefit a local community garden on the estate.

Report of the Board of Management (continued)

Strategy and objectives (continued)

Objective 2: New homes, better places.

In June we handed over 50 homes at Monkton, South Ayrshire, in partnership with Persimmon West Scotland, our second venture into South Ayrshire. The much-needed affordable homes were built on Persimmon's Fairfield's development in Monkton and include a variety of energy efficient two- and three-bedroom properties. As in most places in Scotland, and the rest of the UK, the demand for social housing across Ayrshire far outweighs supply. In Monkton alone, there is a waiting list of almost 900 applicants expressing a demand for social housing in the area.

Objective 3: Leadership in care and support

We were delighted to welcome the Scottish Housing Minister, Paul McLennan to Tarryholme, Irvine to celebrate the completion of the second phase of Irvine's latest development and hear how families are having their lives transformed by new accessible homes. The 77 new homes were supported by £6m Scottish Government grant funding and have been built to Housing for Varying Needs Standards, to ensure that they remain flexible and adaptable to meet the changing needs of households over time. More than 60% of the new homes have been built to suit wheelchair users and people with additional mobility needs.

Objective 4: Trusted customer service

Our estate in Pennyburn, Kilwinning benefitted from a significant investment to clean up the area. In October, Irvine organised a two-day event 'The Big Pennyburn Clean Up'. This was supported by North Ayrshire Council, Cranberry Moss Community Centre, and members of the Pennyburn Tenants and Residents Association.

Irvine employees and their grounds maintenance contractor ID Verde cleared rubbish from gardens and carried out litter picking across the estate. The Council's Environmental Health Team visited several residents to discuss the condition of their garden area and container skips were placed throughout the estate and colleagues helped residents dispose of rubbish and household items. We also set up an information hub at Cranberry Moss Community Centre where customers could meet with colleagues and partner agencies to obtain advice on affordable warmth, pest control, fly tipping, employment opportunities with contractors and more. Following the success of this initiative a garden maintenance hire scheme has been set up for residents of the estate, managed by Irvine.

Objective 5: Support through the cost of living

- **Benefit gains**

We secured funding from Riverside Foundation for our Affordability Officer who focusses on early intervention, making sure new customers have their income maximised and payment arrangements are set at affordable levels where they have fallen into debt. We set a target to achieve £36,000 in cash gains for our tenants through payment of benefits and other grants in 2023/24. This target was surpassed with benefit claims totalling £230,000 for our tenants achieved.

- **Addressing bed poverty**

In February we teamed up with our contractors Bell Group and James Frew to support customers affected by bed poverty. Bed poverty can look different from family to family. It can include:

- broken beds and damaged bedding: families cannot afford to replace or repair unsuitable beds or bedding, for example bedding that has gone mouldy.
- sharing beds and rooms: many parents share beds with their children as they cannot afford separate places for them to sleep.
- sleeping on the floor: parents or children who are sleeping on the floor because they cannot afford beds.
- families unable to wash or dry bedding because they cannot afford to pay for energy.

With their financial support, we are providing beds, mattresses, and bedding to eligible households.

Irvine Housing Association Limited
for the year ended 31 March 2024

Report of the Board of Management (continued)

Combatting digital exclusion

We were also successful in obtaining funding from Connecting Scotland to combat digital exclusion amongst Irvine's customers. We are offering customers the opportunity to borrow from a stock of 20 IT devices and MiFi devices to gain internet connectivity which was made possible by a grant of £9,000.

Cost of living support

We were awarded £5,000 for 2023/24 from the Helping Hands fund via the Riverside Foundation. This helped our customers with the purchase of essential items e.g. food, energy, and essential furniture items. We secured £30,000 funding from Social Housing Fuel Support Fund which we used to assist 300 customers with £100 payments toward their fuel bills or prepayment meters. We were also successful in a joint funding bid for a six-month post for a Fuel Poverty Energy Advisor alongside Atrium Homes, Ayrshire Housing and Shire. In the six months, they have assisted 58 customers and have achieved £4,500 debt reduction/financial gains for our customers.

Customer Satisfaction

We have worked hard this year to improve our services to customers and this was reflected in our overall customer satisfaction which improved across the year as we embedded our new structure and ways of working. We ended 2022/23 with a score of 66.4% and ended 2023/24 on 66.8% (rolling twelve-month average). In March 2024, the score for overall customer satisfaction was 72% (rolling three-month average)

Governance

The Irvine Housing Association Board is made up of 12 members. There is currently one vacancy on the board. We also conducted a successful recruitment drive for new board members to address succession planning within the board. New board members will join us in 2024/25 which will strengthen the board further. Our board held a strategy away day in March to focus on the future direction of the business.

The board is supported by the Audit and Risk Committee which meets four times a year. This committee scrutinises key areas of the business which impact on our strategic risk register. A focus for the committee this year has been tenant and resident safety, receiving regular reports on compliance, health and safety and rent performance. The audit and risk committee works to ensure that the board is kept apprised of current and horizon risks to the business and reflects on governance, risk and issues that pose a threat to the organisation and its ability to maintain good outcomes for our tenants in the coming years.

Our colleagues

In early 2023, we consulted with colleagues on the content of our Corporate Plan for 2023-26 resulting in the development of the five objectives set out above which are used as our focus for the next three years.

In November 2023, we conducted our annual employee engagement survey. Scores across Irvine were high with an employee Net Promoter Score of +21 which equates to very good/ excellent engagement. This compares well to an overall Riverside Group score of +2.

Report of the Board of Management (continued)

Statement of the board of management in respect of internal controls

The Board acknowledges that it is responsible for establishing and maintaining the association's system of internal controls and for reviewing the effectiveness of those controls. Such a system can only provide reasonable, not absolute, assurance against material misstatement or loss, or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that strategic objectives will be achieved.

The key features of the system of internal controls which has been established, and which is designed to provide effective internal control, are as described below.

The association's organisational structure embodies clearly defined levels of responsibility and delegation of authorities in relation to internal control. Appropriate policies and procedures in respect of financial management are in place and are set out in the association's Financial Regulations. The Board retains responsibility for a range of strategic, operational, performance and financial issues.

The association has a robust system of strategic and operational planning, including in stressed situations, informed by a system of risk management. The system of risk management is participative and informs all activities undertaken by the association.

Experienced and suitably qualified staff are employed by the association, and their performance is reviewed as part of a comprehensive appraisal process.

The association has an appropriate system of financial reporting in place to enable the Board and senior staff to monitor the key business risks facing the association. This system of financial reporting includes the preparation of budgets and forecasts, and the preparation of regular financial reports providing relevant and reliable financial information, where significant variances from budgets are appropriately investigated.

All significant new initiatives, major commitments and investment projects are subject to appropriate appraisals, review, analysis and authorisation, either by the Board or through relevant Committees of the Board, where authority to consider such matters has been appropriately delegated by the Board.

The Board considers reports from senior staff and auditors as relevant to provide reasonable assurance that suitable internal financial control procedures are in place and are being followed. In addition, the association's Financial Regulations are subject to regular review and updating.

Disclosure of information to auditor

The members of the Board who held office at the date of approval of this Board report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; each member has taken all the steps that they ought to have taken as a member of the Board to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Report of the Board of Management (continued)

Statement of Board's responsibilities in respect of the Board's report and the financial statements

The board members are responsible for preparing the report of the board and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the board members to prepare financial statements for each financial year. Under that law the board members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland).

In preparing these financial statements, the board members are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The board members are responsible for keeping adequate accounting records that are sufficient to show and explain the transactions and disclose with reasonable accuracy at any time the financial position of the association and 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 Registered Social Landlords Determination of Accounting Requirements 2019. They are also responsible for safeguarding the assets of the society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the association's website is the responsibility of the board members.

The board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the Board


James Strang (Jul 22, 2024 04:19 PDT)

James Strang
Chair

22/07/2024

Irvine Housing Association Limited
for the year ended 31 March 2024

Independent Auditor's Report to the members of Irvine Housing Association Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2024 and of the Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2019.

We have audited the financial statements of Irvine Housing Association Limited ("the Association") for the year ended 31 March 2024 which comprise the statement of comprehensive income, the statement of changes in reserves, the statement of financial position, the statement of cashflows and notes to the financial statements, 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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

Other information

The board are responsible for the other information. The other information comprises the information included in the accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Independent Auditor's Report (continued) **to the members of Irvine Housing Association Limited**

Other information – Statement of Internal Financial Controls

We are required to report to you if:

- in our opinion, the Statement on Internal Financial Controls on page 8, does not provide the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls; or
- in our opinion, the Statement on Internal Financial Controls is materially inconsistent with the knowledge acquired by us in the course of performing our audit.

We have nothing to report in respect of these matters.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 or the Housing (Scotland) Act 2010 to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- adequate accounting records have not been kept by the Association; or
- a satisfactory system of control has not been maintained over transactions; or
- the Association financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the board

As explained more fully in the board members responsibilities statement set out on page 9, the board 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 board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Based on our understanding of the Association and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Scottish Regulator of Housing, and we considered the extent to which non-compliance might have a material effect on the Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Registered Social Landlords Determination of Accounting Requirements 2019 and tax legislation.

Irvine Housing Association Limited
for the year ended 31 March 2024

Independent Auditor's Report (continued) **to the members of Irvine Housing Association Limited**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates and judgements in relation to useful economic lives and impairment of housing properties and other tangible fixed assets.
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privileged access rights, journals posted by key management and journals posted after the year end;
- Enquiring of directors and other management as to whether the entity is in compliance with relevant laws and regulations; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Scottish Housing Regulator.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with the Housing (Scotland) Act 2010 and 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

BDO LLP

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BDO LLP

Statutory Auditor

Liverpool, UK

Date:

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Irvine Housing Association Limited
for the year ended 31 March 2024

Statement of Comprehensive Income for year ended 31 March 2024

| | Note | 2024 £'000 | 2023 £'000 |
|--|------|---------------|---------------|
| Turnover | 3 | 13,265 | 12,055 |
| Operating costs | 3 | (8,521) | (7,800) |
| Operating surplus | | 4,744 | 4,255 |
| Interest receivable and other income | | 2 | - |
| Interest and financing cost | 5 | (2,167) | (1,534) |
| Surplus before taxation | | 2,579 | 2,721 |
| Surplus for the year after tax | | 2,579 | 2,721 |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | 2,579 | 2,721 |

All of the above operations are continuing and comply with Housing SORP 2018 and FRS 102.

The notes on pages 17 to 31 form part of these financial statements.

Irvine Housing Association Limited
for the year ended 31 March 2024

Statement of Changes in Reserves

For year ended 31 March 2024

| | General reserve £'000 | Total reserves £'000 | Unrestricted funds £'000 |
|--|-----------------------------|----------------------------|--------------------------------|
| Balance at 1 April 2023 | 26,051 | 26,051 | 26,051 |
| Surplus from statement of comprehensive income | 2,579 | 2,579 | 2,579 |
| Balance at 31 March 2024 | 28,630 | 28,630 | 28,630 |

| | General reserve £'000 | Total reserves £'000 | Unrestricted funds £'000 |
|--|-----------------------------|----------------------------|--------------------------------|
| Balance at 1 April 2022 | 23,330 | 23,330 | 23,330 |
| Surplus from statement of comprehensive income | 2,721 | 2,721 | 2,721 |
| Balance at 31 March 2023 | 26,051 | 26,051 | 26,051 |

The notes on pages 17 to 31 form part of these financial statements.

Irvine Housing Association Limited
as at 31 March 2024

Balance Sheet
As at 31 March 2024

| | Note | 2024 £'000 | 2023 £'000 |
|---|------|----------------|----------------|
| Tangible assets | | | |
| Housing properties | 6a | 111,210 | 108,307 |
| Other tangible fixed assets | 6b | 465 | 517 |
| | | <u>111,675</u> | <u>108,824</u> |
| Current assets | | | |
| Debtors | 7 | 1,513 | 993 |
| Cash and cash equivalents | 8 | 24 | 19 |
| | | <u>1,537</u> | <u>1,012</u> |
| Creditors: amounts falling due within one year | 9 | (8,696) | (3,600) |
| Net current liabilities | | <u>(7,159)</u> | <u>(2,588)</u> |
| Total assets less current liabilities | | <u>104,516</u> | <u>106,236</u> |
| Creditors: amounts falling due after more than one year | 10 | (75,886) | (80,185) |
| Total net assets | | <u>28,630</u> | <u>26,051</u> |
| Capital and Reserves | | | |
| Income and expenditure reserve | | 28,630 | 26,051 |
| | | <u>28,630</u> | <u>26,051</u> |

The notes on pages 17 to 31 form part of these financial statements.

These financial statements were approved by the Board of Management on 22 July 2024 and were signed on its behalf by:

James Strang
James Strang (Jul 22, 2024 04:19 PDT)

J Strang
Chair

22/07/2024

Diana H MacLean
Diana H MacLean (Jul 22, 2024 12:48 GMT+1)

D MacLean
Secretary

22/07/2024

Robin Hill
Robin Hill (Jul 22, 2024 13:11 GMT+1)

R Hill
Board Member

22/07/2024

Irvine Housing Association Limited
for the year ended 31 March 2024

Statement of Cash Flows

For year ended 31 March 2024

| | Note | 2024 £'000 | 2023 £'000 |
|---|------|----------------|-----------------|
| Net cash inflow from operating activities | 20 | 9,595 | 6,136 |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (25) | (3) |
| Cash paid for housing construction | | (1,365) | (15,288) |
| Grants received | | 13 | 3,758 |
| Expenditure on capitalised improvements | | (2,093) | (2,003) |
| | | (3,470) | (13,536) |
| Cash flows from financing activities | | | |
| Interest paid | | (2,109) | (1,534) |
| Loan raised | | - | 9,250 |
| Loan repayments | | (4,011) | - |
| | | (6,120) | 7,716 |
| Net change in cash and cash equivalents | | 5 | 316 |
| Cash and cash equivalents at the beginning of the year | | 19 | (297) |
| Cash and cash equivalents at the end of the year | | 24 | 19 |

The notes on pages 17 to 31 form part of these financial statements.

Irvine Housing Association Limited
for the year ended 31 March 2024

Notes to the Financial Statements

For year ended 31 March 2024

1 Accounting Policies

Legal status

The association is a public benefit entity, is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with and monitored by the Scottish Housing Regulator.

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards and the Statement of Recommended Practice (SORP): Accounting by Registered Social Landlords 2018 and comply with the Determination of Accounting Direction 2019. As explained at note 13, the accounts of Thistle Housing Services Limited have not been consolidated with those of the association, as the board considers this would be of no real value to the members of the association in view of the insignificant amounts involved.

The financial statements have been prepared under the historical cost convention and have been prepared in accordance with the provisions of FRS 102, Irvine has applied the exemptions available under FRS 102 in respect of the requirement to disclose related parties.

Basis of preparation

The association's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 4. The association has considerable financial resources and is a key part of the strategic plans of The Riverside Group Limited. The directors believe that the association is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future with the support of The Riverside Group Limited.

The board, after reviewing the company budgets for 2024/25 and the group's short-medium term financial position, is of the opinion that, taking account of severe but plausible downsides, the group and company have adequate resources to continue in business for the foreseeable future. The board therefore continues to adopt the going concern basis in preparing the annual financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenue and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements, estimates and assumptions have had the most significant effect in amounts recognised in the financial statements:

- Tangible assets are depreciated over their useful lives taking into account residual values where appropriate. The estimates of the useful lives for the different component types and assets are detailed below.
- Reviews for impairment of housing properties are carried out when a trigger has occurred.

Turnover

Turnover represents rental and service charge income (net of voids) receivable and certain revenue grants together with other income consisting of factoring and grant amortisation and excluding value added tax. Rental income is recognised from the point when properties under development reach practical completion or are otherwise available for letting.

Charged bank accounts

Charged bank accounts are readily disposable current asset investments which can only be withdrawn by meeting certain withdrawal criteria.

Notes to the Financial Statements (continued)

For year ended 31 March 2023

Accounting Policies (continued)

Debtors and creditors

Debtors and creditors are measured at amortised cost based on timing of expected cash flows.

Value Added Tax

The parent, The Riverside Group Limited is partially exempt in relation to Value Added Tax (VAT), and accordingly is able to recover from HM Revenue & Customs part of the VAT incurred on expenditure. At the year-end VAT recoverable or payable is included in the balance sheet. Irrecoverable VAT is accounted for in the Statement of Comprehensive Income. Irvine Housing Association is included in the parent company's VAT group.

Retirement benefits

The L&G Mastertrust is a defined contribution scheme and as such no surplus or deficit is included in the financial statements and the accounting charge for the period is represented by the employer contribution payable. This can be found at Note 14 of these financial statements.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of housing land and properties comprises purchase price together with incidental costs of acquisition and improvements, including related administration charges.

Housing properties are principally properties available for rent. Cost includes the cost of acquiring the land and buildings, development costs and expenditure incurred in respect of improvements.

Leasing and hire purchase

Where assets are financed by hire purchase contracts and leasing agreements that give rights approximating to ownership (finance leases), they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations to the lessor in creditors. They are depreciated over the shorter of the lease term and their economic useful lives.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit and loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Other leases are treated as operating leases and payments are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to statement of comprehensive income over the term of the lease.

Housing properties

All properties within ownership of the association are allocated using common allocation policies shares with other Registered Social Landlords including local authorities. A system is in operation to ensure allocation is offered to those most in need.

Irvine Housing Association Limited
for the year ended 31 March 2024

Notes to the Financial Statements (continued)

For year ended 31 March 2023

Accounting Policies (continued)

Depreciation

Where a housing property comprises two or more major components with substantially different useful economic lives, each component is accounted for separately and depreciated over its individual useful economic life. The estimated individual useful economic lives of the components are as follows:

| Component | Useful Economic Life |
|-----------------|----------------------|
| Structure | 100 years |
| Kitchens | 20 years |
| Bathrooms | 30 years |
| Heating systems | 30 years |
| Boilers | 15 years |
| Windows | 25 years |
| External doors | 25 years |
| Roofs | 60 years |
| Render | 20 years |

Assets that are in the course of construction are held at cost and are not depreciated until reclassified as housing properties completed.

Improvements to property

Expenditure incurred on general repairs to housing properties is charged to the statement of comprehensive income in the year in which it is incurred. Expenditure on refurbishment or replacement of identified housing property components is capitalised. Non-component works to existing housing properties are capitalised where they relate to an improvement, which is defined as an increase in the net rental stream or the life of a property.

Other fixed assets

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

| | |
|-----------------------|------------|
| Furniture & equipment | 10% to 20% |
|-----------------------|------------|

Capitalisation of development overheads

Administration costs relating to development activities are capitalised only to the extent that they are directly attributable to the development process and in bringing the properties into their intended use.

Housing association grant

Where developments have been financed wholly or partly by housing association grant, the amount of grant received has been included as deferred income and recognised in turnover over the estimated useful life of the associated asset structure, under the accruals model. Grant received for items of cost written off in the Statement of Comprehensive Income is included as part of turnover. Housing association grant in respect of housing properties in the course of construction, received in advance of expenditure, is shown as a current liability.

Other grants

Grants received from other sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements, it is recognised as a liability until the conditions are met and then it is recognised as turnover.

Notes to the Financial Statements (continued)

For year ended 31 March 2023

Accounting Policies (continued)

Cash policy

Cash includes cash in hand and deposits repayable on demand.

Loan issue costs and interest costs

The cost of raising loans is amortised over the period of the loan. Loans are stated in the Balance Sheet at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income in the year in which the redemption took place.

Taxation

The association is a registered charity and is not therefore liable for corporation tax on its charitable activities.

Irvine Housing Association Limited is a co-operative and Community Benefit Society, registered with the Scottish Housing Regulator and has charitable status for tax purposes. Therefore, the association is exempt from Corporation Tax in respect of income under section 505 ICTA 1988.

Impairment of non-financial assets

The carrying amount of the association's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation if no impairment loss had been recognised.

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income immediately.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

Notes to the Financial Statements (continued)

For year ended 31 March 2023

Accounting Policies (continued)

Financial instruments

Financial assets and financial liabilities are measured at transaction price initially, less transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured without any deduction for transaction costs the entity may incur on sale or other disposal as follows:

- Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.
- Commitments to receive or make a loan to another entity which meet the conditions in para 11.8(c) of FRS 102 are measured at cost less impairment. Financial instruments held are classified as follows:
 - Financial assets such as cash, current asset investments and receivables are classified as current assets and held at amortised cost using the effective interest method unless a quoted price is available, in which case they are held at fair value.
 - Loans are classified as financial liabilities and are held at amortised cost using the effective interest method.
 - Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method.
 - Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment.
 - Derivatives such as interest rate swaps are classified as financial assets or financial liabilities at fair value.
- Financial assets and financial liabilities at fair value are classified using the following fair value hierarchy:
 - The best evidence of fair value is a quoted price in an active market.
 - When quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted to reflect any circumstances specific to the sale, such as a distress sale, if appropriate.
 - Where there is no active market or recent transactions then a valuation technique is used to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations

2 Auditor's remuneration

Auditor's remuneration comprises the audit fee. The audit fee of £35k (2023: £30k) was paid by the parent company, The Riverside Group Limited.

Notes to the Financial Statements (continued)

For year ended 31 March 2024

3 Particulars of turnover, operating costs, and operating surplus

| | Turnover | Operating costs | 2024 Surplus | 2023 Surplus |
|-------------------------------|---------------|-----------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 |
| Affordable letting activities | 13,063 | (8,198) | 4,865 | 4,344 |
| Other activities | 202 | (323) | (121) | (89) |
| Total 2024 | 13,265 | (8,521) | 4,744 | - |
| Total 2023 | 12,055 | (7,800) | - | 4,255 |

3a Particulars of turnover, operating costs, and operating surplus from affordable lettings

| | General Needs Housing | |
|--|-----------------------|----------------|
| | 2024 £'000 | 2023 £'000 |
| Rent receivable net of service charge income | 12,620 | 11,440 |
| Service charges income | 66 | 47 |
| Gross income from rents and service charges | 12,686 | 11,487 |
| Less voids | (31) | (94) |
| Net income from rents and service charges | 12,655 | 11,393 |
| Grants released from deferred income | 351 | 303 |
| Other revenue grants | 57 | 42 |
| Total turnover from affordable letting activities | 13,063 | 11,738 |
| Management and maintenance administration costs | (3,369) | (2,743) |
| Service costs - landscape | (501) | (423) |
| Planned and cyclical maintenance including major repairs | (628) | (603) |
| Reactive maintenance costs | (2,006) | (1,628) |
| Bad debts - rent and service charges | (56) | (149) |
| Depreciation of affordable let properties | (1,638) | (1,848) |
| Operating costs for affordable letting activities | (8,198) | (7,394) |
| Operating surplus for affordable letting activities | 4,865 | 4,344 |

Notes to the Financial Statements (continued)

For year ended 31 March 2024

3b Particulars of turnover, operating costs and operating surplus or deficit from other activities

| | Grants From Scottish Ministers £'000 | Other income £'000 | Total turnover £'000 | Operating costs - bad debt £'000 | Other operating costs £'000 | 2024 operating surplus/ (deficit) £'000 | 2023 operating surplus/ (deficit) £'000 |
|------------------------------------|--|--------------------------|----------------------------|---|--------------------------------------|---|---|
| Factoring | - | 112 | 112 | (21) | (147) | (56) | (73) |
| Aids and adaptations | 89 | - | 90 | - | (155) | (65) | (35) |
| Other activities | - | - | - | - | - | - | 19 |
| Total from other activities | 89 | 112 | 202 | (21) | (302) | (121) | (89) |

4 Employee information

4a Directors emoluments

| | 2024 £'000 | 2023 £'000 |
|---|---------------|---------------|
| Emoluments of the Managing Director | 109 | 104 |
| Employers pension contributions for the Managing Director | 12 | 11 |
| Total emoluments of the Managing Director | 121 | 115 |
| | | |
| Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions) | 251 | 429 |

Notes to the Financial Statements (continued)

For year ended 31 March 2024

4b Staff

The number of staff whose emoluments (excluding pension contributions) were within the following ranges was:

| | 2024 Number | 2023 Number |
|----------------------|----------------|----------------|
| £60,000 to £69,999 | 0 | 1 |
| £70,000 to £79,999 | 1 | 1 |
| £80,000 to £89,999 | 1 | 1 |
| £90,000 to £99,999 | 1 | 1 |
| £100,000 to £109,999 | 0 | 1 |

This excludes emoluments for the Managing Director which are disclosed separately above in 4 a Directors Emoluments

| | 2024 £'000 | 2023 £'000 |
|---|---------------|---------------|
| Compensation paid to staff for loss of office | 44 | 174 |

| | 2024 Number | 2023 Number |
|--|----------------|----------------|
| Average number of persons employed during this year | | |
| Permanent | 36 | 32 |
| Temporary | 5 | 1 |
| | <hr/> 41 | <hr/> 33 |

Average number of full-time equivalents employed during the year

Staff cost

| | 2024 £'000 | 2023 £'000 |
|--------------------------|---------------|---------------|
| Wages and salaries | 1,485 | 1,515 |
| National insurance costs | 147 | 146 |
| Pension costs | 121 | 123 |
| | <hr/> 1,753 | <hr/> 1,784 |

Total staff cost

Irvine Housing Association Limited
for the year ended 31 March 2024

Notes to the Financial Statements (continued)

For year ended 31 March 2024

5 Interest payable and similar charges

| | 2024 £'000 | 2023 £'000 |
|---|---------------|---------------|
| On bank loans, overdrafts and other loans: | 1,252 | 1,213 |
| On intercompany loans | 860 | 278 |
| Finance costs | 55 | 43 |
| Interest payable and similar charges | 2,167 | 1,534 |

6a Tangible fixed assets

Housing properties

| | Rental £'000 | Under Construction £'000 | Total £'000 |
|---|-----------------|--------------------------------|----------------|
| Cost | | | |
| At 1 April 2023 | 110,034 | 18,791 | 128,825 |
| Additions | 202 | 2,090 | 2,292 |
| Improvements to existing properties | 2,250 | - | 2,250 |
| Schemes completed | 20,881 | (20,881) | - |
| Accelerated replacement of components | (49) | - | (49) |
| At 31 March 2024 | 133,318 | - | 133,318 |
| Depreciation | | | |
| At 1 April 2023 | 20,518 | - | 20,518 |
| Charge for the year | 1,630 | - | 1,630 |
| Eliminated in respect of disposals and components | (40) | - | (40) |
| At 31 March 2024 | 22,108 | - | 22,108 |
| Net book value at 31 March 2024 | 111,210 | - | 111,210 |
| Net book value at 31 March 2023 | 89,516 | 18,791 | 108,307 |

Improvements to existing properties consist of £555k non-capital improvements which have been charged to the statement of comprehensive income. (2023: £403k)

Notes to the Financial Statements (continued)

For year ended 31 March 2024

6b Tangible fixed assets (continued)

| | Furniture & Equipment £'000 | Total £'000 |
|--|-----------------------------------|----------------|
| Cost | | |
| At 1 April 2023 | 798 | 798 |
| Additions | 25 | 25 |
| Disposals | - | - |
| | <hr/> | <hr/> |
| At 31 March 2024 | 823 | 823 |
| | <hr/> | <hr/> |
| Depreciation | | |
| At 1 April 2023 | 281 | 281 |
| Charge for the year | 77 | 77 |
| Disposals | - | - |
| | <hr/> | <hr/> |
| At 31 March 2024 | 358 | 358 |
| | <hr/> | <hr/> |
| Net Book Value at 31 March 2024 | 465 | 465 |
| | <hr/> | <hr/> |
| Net Book Value as 31 March 2023 | 517 | 517 |
| | <hr/> | <hr/> |

7 Debtors: amounts due within one year

| | 2024 £'000 | 2023 £'000 |
|---|---------------|---------------|
| Rent arrears | 880 | 712 |
| Bad debt provision | (367) | (362) |
| Other debtors and accrued income | 1,000 | 643 |
| | <hr/> | <hr/> |
| Debtors: amounts due within one year | 1,513 | 993 |
| | <hr/> | <hr/> |

Trade debtors are measured at amortised cost less impairment.

Irvine Housing Association Limited
for the year ended 31 March 2024

Notes to the Financial Statements (continued)

For year ended 31 March 2024

8 Cash and cash equivalents

| | 2024 £'000 | 2023 £'000 |
|----------------------------------|---------------|---------------|
| Cash at bank and in hand | 24 | 19 |
| Cash and cash equivalents | 24 | 19 |

The association manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held. At 31 March 2024 the association has £18.2m (2023: £14.2m) of undrawn loan facilities.

9 Creditors: amounts falling due within one year

| | 2024 £'000 | 2023 £'000 |
|---|---------------|---------------|
| Sundry creditors | 1,124 | 443 |
| Rents in advance | 619 | 677 |
| Accruals and deferred income | 2,592 | 1,844 |
| Deferred income - grants | 302 | 303 |
| Amount due to group undertakings | 4,059 | 333 |
| Creditors: amounts falling due within one year | 8,696 | 3,600 |

Amounts due to group undertakings are interest free and repayable on demand.

Notes to the Financial Statements (continued)

For year ended 31 March 2024

10 Creditors: amounts falling due after one year

Housing loans

Loans are secured by standard securities over the association's housing properties and are repayable at varying rates of interest other than by instalments as follows:

| | 2024 £'000 | 2023 £'000 |
|--|----------------------|----------------------|
| Two years or more but less than five years | 341 | - |
| Five years or more | 34,847 | 39,199 |
| | <u>35,188</u> | <u>39,199</u> |
| Deferred income – grants | 40,698 | 40,986 |
| Creditors: amounts falling due after one year | <u>75,886</u> | <u>80,185</u> |

The above figures include a loan of £9.3m (2023: £13.3m) from The Riverside Group Ltd on which interest is charged between 6% and 6.75%. Interest on bank loans is charged between 4.5% and 6%. The above figures contain £67k of loan arrangement fees (2023: £82k). These are charged to income and expenditure over the term of the facility. The amount charged in 2024 was £14k (2023: £14k).

11 Deferred capital grant

| | 2024 £'000 | 2023 £'000 |
|-------------------------------------|----------------------|----------------------|
| Grant at start of year | 45,472 | 41,714 |
| Received in year | 13 | 3,758 |
| | <u>45,485</u> | <u>45,472</u> |
| Amortisation at start of year | (4,183) | (3,880) |
| Released to income | (302) | (303) |
| | <u>(4,485)</u> | <u>(4,183)</u> |
| Total deferred capital grant | <u>41,000</u> | <u>41,289</u> |

Irvine Housing Association Limited
for the year ended 31 March 2024

Notes to the Financial Statements (continued)

For year ended 31 March 2024

12 Investment in subsidiary undertaking

On 23 October 1997 Irvine Housing Association Limited acquired the entire ordinary share capital of Thistle Housing Services Limited for no consideration. Thistle Housing Services Limited originally traded as lessors of property and equipment but is now dormant. The results of Irvine Housing Association Limited and Thistle Housing Services Limited have not been consolidated as the board considers this to be of no real value due to the insignificant amounts involved. Thistle Housing Services Limited did not trade in the year to 31 March 2024.

13 Related party transactions

The Riverside Group Ltd provides loan funding to the association. Payments of £4m (2023: receipts of £9.2m) were made to The Riverside Group Ltd during the year and as disclosed in note 10, the balance outstanding to The Riverside Group Ltd at the year-end was £9.3m (2023: £13.3m)

During the year purchases from Thistle Housing Services Limited amounted to £nil (2023: £nil). The balance outstanding to Thistle Housing Services Limited at the year-end was £183 (2023: £183). During the year sales to Thistle Housing Services Limited amounted to £nil (2023: £nil). The balance outstanding from Thistle Housing Services Limited at the year-end was £nil (2023: £nil).

Various members of the board and their relatives are tenants of the association. Aggregate transactions in the year totalled £4k (2023 £1.7k). All transactions have been carried out on the terms applicable to all customers and no payments were outstanding at year end. There were no arrears for the tenant board members as at year end.

14 Pension cost

The association contributed to a defined contribution scheme during the accounting period. The scheme is Our Riverside Retirement Plan, administered by Legal and General as part as Mastertrust. This is also used as the vehicle for auto enrolment. Separate rates apply where employees have moved from previous pension schemes (such as Strathclyde Pension Fund or SHPS) to allow higher pension contribution rates to continue.

The contributions to the defined contribution scheme in the year were £121k (2023: £123k).

15 Share capital

| Shares of £1 each, allotted, issued and fully paid | 2024 £ | 2023 £ |
|--|-----------|-----------|
| At 1 April 2023 | 47 | 57 |
| Issued during the year | 1 | |
| Cancelled | (3) | (10) |
| At 31 March 2024 | 45 | 47 |

Each member of the association holds one share of £1 in the association. These shares carry no rights to dividends on a winding up. Each member has a right to vote at members' meetings.

Notes to the Financial Statements (continued)

For year ended 31 March 2024

16 Housing stock

| | 2024 | 2023 |
|---|--------------|--------------|
| General needs accommodation | | |
| Opening Balance | 2,443 | 2,326 |
| Additions | 55 | 117 |
| | <hr/> | <hr/> |
| Total units in management at the end of the year | 2,498 | 2,443 |
| | <hr/> | <hr/> |

17 Financial commitments

At 31 March 2024 the association had total commitments for land and buildings under operating leases as follows:

| | 2024 £'000 | 2023 £'000 |
|--------------------------------------|---------------|---------------|
| Operating leases which expire | | |
| Within one year | 64 | 61 |
| Within 2 to 5 years | 168 | 212 |
| After 5 years | - | 49 |
| | <hr/> | <hr/> |
| Total financial commitments | 232 | 322 |
| | <hr/> | <hr/> |

Land and buildings leases may be cancelled after five years. Operating leases may be cancelled at the lessee's request.

18 Capital commitments

| | 2024 £'000 | 2023 £'000 |
|-----------------------------------|---------------|---------------|
| Future capital expenditure | | |
| Authorised and contracted | - | 1,899 |
| | <hr/> | <hr/> |
| Total capital commitments | - | 1,899 |
| | <hr/> | <hr/> |

Notes to the Financial Statements (continued)

For year ended 31 March 2024

19 Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is The Riverside Group Ltd, registered in England as a charitable Industrial & Provident Society (Registration No, 30938R) and Registered Provider of Social Housing Reg. No. L4552. A copy of the Group Financial Statements can be obtained from The Riverside Group Ltd, 2 Estuary Boulevard, Estuary Commerce Park, Liverpool, L24 8RF.

20 Notes to the cash flow statement

Reconciliation of operating surplus to net cash inflow from operating activities

| | 2024 £'000 | 2023 £'000 |
|--|---------------|---------------|
| Operating surplus | 4,744 | 4,255 |
| Depreciation & impairment | 1,666 | 1,920 |
| Amortisation of grant | (302) | (303) |
| (Increase) / decrease in debtors | (520) | 568 |
| Increase / (decrease) in creditors | 4,007 | (304) |
| Net cash inflow from operating activities | 9,595 | 6,136 |

Analysis of net debt

| | At 1 April 2023 £'000 | Cash Flow £'000 | At 31 March 2024 £'000 |
|--------------------------|-----------------------------|--------------------|------------------------------|
| Cash at bank and in hand | 19 | 5 | 24 |
| Debt due after one year | (39,199) | 4,011 | (35,188) |
| Total | (39,180) | 4,016 | (35,164) |

Reconciliation of net cash flow to movement in net debt

| | 2024 £'000 | 2023 £'000 |
|---|---------------|----------------|
| Increase/(decrease) in cash in the year | 5 | 318 |
| Cash inflow from increase in debt | 4,011 | (9,250) |
| Movement in net debt in the year | 4,016 | (8,932) |
| Net debt at 1 April 2023 | (39,180) | (30,248) |
| Net debt at 31 March 2024 | 35,164 | 39,180 |

