



Alexander Sloan
Accountants and Business Advisers

Blochairn Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2023

Registered Social Landlord No. HAG 223

FCA Reference No. 2341R(S)

Scottish Charity No. SC040816

BLOCHAIRN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

MANAGEMENT COMMITTEE

Michelle Murray-Moore

Martin Forrest

Frances Tierney

Manal Eshelli

Helen McCartney

Olga Vassiljeva

John Welsh

Alexandra Lis

Mary Gibb

Kim Stuyck – Co-optee

Jean O'Neill – Co-optee

Leeanne McGowan – Co-optee

Sakina Masih

Kerry McCann

Catherine Neil

Joan Reuston

Chairperson

Vice Chair

Secretary

Joined June 2022

Joined June 2022

Joined August 2022

Joined September 2022

Joined Feb 2023

Resigned June 2022

Resigned August 2022

Resigned August 2022

Resigned August 2022

EXECUTIVE OFFICER

Patricia Gallagher

Michael Carberry

Interim Director (as of 1st November 2022)

Director (up to 31st October 2022)

REGISTERED OFFICE

1 Blochairn Road

Royston

Glasgow

G21 2ED

EXTERNAL AUDITORS

Alexander Sloan

Accountants and Business Advisers

180 St Vincent Street

Glasgow

G2 5SG

INTERNAL AUDITORS

Wylie and Bisset

168 Bath Street

Glasgow

G2 4TP

BANKERS

RBS UK Corporate Banking

Kirkstane House

139 St Vincent Street

Glasgow

G2 5JF

SOLICITORS

Mellicks

160 Hope Street

Glasgow

G2 2TL

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

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

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No. 2341R(S)), the Scottish Housing Regulator as a registered social landlord (No. HAG 223) under the Housing (Scotland) Act 2010 and as is a registered Scottish Charity with the charity number SC040816.

Principal Activities

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

Review of Business and Future Developments

In the financial year to 31 March 2023 the Association went through a period of change. The Finance Assistant left in June 2022, after a period of absence and the Director left in October 2022. A agent was employed as a Finance Assistant, with external support from Wylie Bisset. An Interim Director was appointed in November 2022, followed by an operations Manager in February 2023 and a part time Technical Inspector in March 2023.

There were also a lot of changes on the Management Committee over the year. 4 Committee members left, however, 5 new members also joined. 12 of the possible Management Committee places were taken at the year end.

Since November 2022, the Staff have been working towards the completion of a Governance Improvement Plan that was put in place after a governance options appraisal and the Annual Assurance Statement identified weaknesses in relation to the Regulatory Framework: Standards of Governance and Financial Management. The Management Committee were also carrying out an Options Appraisal at this time.

Performance in service delivery remained strong throughout the year and a Tenant Satisfaction Survey, carried out in June 2022 showed that satisfaction levels also remained high with: 96.36% of tenants satisfied with services overall; 85.6% happy with opportunities to participate and 96% happy with the repairs service.

Internal Auditors were appointed to come in to do independent checks on the work of the Association, which will in turn give the Management Committee assurances about how the day to day functions are being run. We continue to provide a Welfare Rights Service, Financial capability service and a Tenancy support service from the office. We continue to participate with the Royston Strategy Group and Staff have carried out a lot of work over the year securing funding and goods to help Tenants with the cost of living crisis.

The cost of living crisis has also had a big impact on the Association. It has resulted in a higher than usual rent increase and much higher costs having to be budgeted for. The Management Committee have aimed to balance the increased costs with potential savings, while maintaining affordability and ensuring all essential services continue.

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

The Options Appraisal carried out during the year concluded that it is in the best interests of the tenants of the Association if BHA sought interest and proposals to form a partnership with another community based RSL with the aim of:

- protecting community ownership in Royston,
- strengthening governance,
- engaging strong leadership,
- providing best value for tenants by reducing management costs,
- supporting excellent services to tenants and other service users,
- assisting in the delivery of an accelerated investment programme,
- address the net zero agenda,
- working in partnership with owner occupiers to promote better outcomes for residents,
- improving performance,
- ensuring rents remain affordable and
- providing a platform to potentially develop new services to meet local needs.

The Scottish Housing Regulator and our lenders, Unity Bank have been informed about the conclusions within the options appraisal report.

The Management Committee agreed to explore the option of finding a suitable partner at the Management Committee in February 2023. However, no final decision has been made and the formal process of finding a partner is likely to commence in August 2023. Should this option be progressed, it would require the support of the members and tenants. This would be unlikely to be completed before 2025.

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

Management Committee and Executive Officers

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

Each member of the Management Committee holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of directors, they act as executives within the authority delegated by the Management Committee.

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

Statement of Management Committee's Responsibilities

The Co-operative and Community Benefit Societies Act 2014 requires the Management Committee to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those financial statements the Management Committee is required to:

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

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to: ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

Going Concern

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

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

Statement on Internal Financial Control

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

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

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

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

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

Donations

During the year the Association made charitable donations of £3,521 (2022 - £605).

Disclosure of Information to the Auditor

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

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

Auditor

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

By order of the Management Committee

A black rectangular box redacting the signature of the Secretary.

Frances Tierney
Secretary
27 June 2023

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

In addition to our audit of the financial statements, we have reviewed your statement on page 5 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement of Internal Financial Control on page 5 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

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


ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
Glasgow
27 June 2023



Alexander Sloan
Accountants and Business Advisers

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

Opinion

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

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

Other Information (Contd.)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require us to report to you if, in our opinion:

- proper books of account have not been kept by the Association in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation;
- the Statement of Comprehensive Income and Statement of Financial Position are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Management Committee

As explained more fully in the statement of Management Committee's responsibilities as set out on page 4, the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give true and fair view, and for such internal control as the Management Committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

The extent to which the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we gained an understanding of the legal and regulatory framework applicable to the Association through discussions with 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
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

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

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

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

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

Use of our Report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.


ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
Glasgow
27 June 2023



Alexander Sloan
Accountants and Business Advisers

BLOCHAIRN HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023	2022
		£	£
Revenue	2	1,626,790	1,617,672
Operating costs	2	1,486,855	1,347,489
OPERATING SURPLUS		139,935	270,183
Interest receivable and other income		2,869	66
Interest payable and similar charges	7	(201,587)	(112,701)
Other Finance income/(charges)	10	(1,000)	(3,000)
		(199,718)	(115,635)
(Deficit) / surplus on ordinary activities before taxation	8	(59,783)	154,548
(DEFICIT) / SURPLUS FOR THE YEAR		(59,783)	154,548
Other comprehensive income			
Actuarial gains/(losses) on defined benefit pension plan	18	(50,000)	102,000
TOTAL COMPREHENSIVE INCOME		(109,783)	256,548

The results relate wholly to continuing activities.

The notes on pages 16 to 34 form an integral part of these financial statements.

BLOCHAIRN HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Notes	£	2023 £	£	2022 £
NON-CURRENT ASSETS					
Housing properties - depreciated cost	11		16,423,151		16,900,189
Other tangible assets	11		245,991		252,464
			<u>16,669,142</u>		<u>17,152,653</u>
CURRENT ASSETS					
Receivables	12	82,208		37,074	
Investments	13	101,390		100,011	
Cash and cash equivalents	14	742,340		740,373	
		<u>925,938</u>		<u>877,458</u>	
CREDITORS: Amounts falling due within one year	15	<u>(354,205)</u>		<u>(280,165)</u>	
NET CURRENT ASSETS			<u>571,733</u>		<u>597,293</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			17,240,875		17,749,946
CREDITORS: Amounts falling due after more than one year	16		(4,969,924)		(5,047,966)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	18	(58,000)		(30,000)	
			<u>(58,000)</u>		<u>(30,000)</u>
DEFERRED INCOME					
Social housing grants	19	(9,142,172)		(9,491,403)	
		<u>(9,142,172)</u>		<u>(9,491,403)</u>	
NET ASSETS			<u>3,070,779</u>		<u>3,180,577</u>
EQUITY					
Share capital	20		70		85
Revenue reserves			3,128,709		3,210,492
Pension reserves			(58,000)		(30,000)
			<u>3,070,779</u>		<u>3,180,577</u>

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 27 June 2023.


Committee Member


Secretary

Secretary

The notes on pages 16 to 34 form an integral part of these financial statements.

BLOCHAIRN HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	£	2023 £	£	2022 £
Surplus for the Year			(59,783)		154,548
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets	11	518,354		516,954	
Amortisation of capital grants	19	(349,231)		(349,231)	
Non-cash adjustments to pension provisions		(22,000)		(32,000)	
Share capital written off	20	(20)		(17)	
			147,103		135,706
Interest receivable			(2,869)		(66)
Interest payable	7		201,587		112,701
Operating cash flows before movements in working capital			286,038		402,889
Change in debtors		(45,134)		(5,298)	
Change in creditors		128,721		7,980	
			83,587		2,682
Net cash inflow from operating activities			369,625		405,571
Investing Activities					
Acquisition and construction of properties		(34,843)		(239,744)	
Changes on short term deposits with banks		(1,379)		(11)	
Net cash outflow from investing activities			(36,222)		(239,755)
Financing Activities					
Interest received on cash and cash equivalents		2,869		66	
Interest paid on loans		(201,587)		(112,701)	
Loan principal repayments		(132,723)		(195,229)	
Share capital issued	20	5		8	
Net cash outflow from financing activities			(331,436)		(307,856)
Increase/(decrease) in cash	21		1,967		(142,040)
Opening cash & cash equivalents			740,373		882,413
Closing cash & cash equivalents			742,340		740,373
Cash and cash equivalents as at 31 March					
Cash	21		742,340		740,373
			742,340		740,373

The notes on pages 16 to 34 form an integral part of these financial statements.

BLOCHAIRN HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2023

	Share Capital £	Scottish Housing Association Pension reserve £	Revenue Reserve £	Total £
Balance as at 31 March 2021	94	(164,000)	3,087,944	2,924,038
Issue of Shares	8	-	-	8
Cancellation of Shares	(17)	-	-	(17)
Other comprehensive income	-	102,000	-	102,000
Other movements	-	32,000	(32,000)	-
Surplus for the year	-	-	154,548	154,548
Balance as at 31 March 2022	85	(30,000)	3,210,492	3,180,577
Balance as at 1 April 2022	85	(30,000)	3,210,492	3,180,577
Issue of Shares	5	-	-	5
Cancellation of Shares	(20)	-	-	(20)
Other comprehensive income	-	(50,000)	-	(50,000)
Other movements	-	22,000	(22,000)	-
Deficit for the year	-	-	(59,783)	(59,783)
Balance as at 31 March 2023	70	(58,000)	3,128,709	3,070,779

The notes on pages 16 to 34 form an integral part of these financial statements.

BLOCHAIRN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2019. They comply with the Determination of Accounting Requirements 2019. A summary of the principal accounting policies is set out below.

Revenue

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

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

Government grants are released to income over the expected useful life of the asset to which they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

Retirement Benefits

The Association participates in the Scottish Housing Association Pension Scheme (SHAPS) a multi-employer defined benefit scheme. Retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102.

Going Concern

As noted in the Review of the business and future developments, the Association is considering future strategy and the preferred option is currently to explore the benefits of a strategic partner. However, no decision has yet been made and such an option would be subject to tenant approval and is unlikely to take place until 2025.

The Financial Statements describe the financial position, cashflow, borrowing facilities and the risks the Association face. The Management Committee are satisfied that they have sufficient resources to continue to operate in the medium term and as such they continue to adopt the the going concern basis of accounting in the preparation of the Financial Statements.

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Housing Properties

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

<i>Component</i>	<i>Useful Economic Life</i>
Land	Not depreciated
Structure	Over 50 years
Kitchens	Over 15 years
Bathrooms	Over 15 years
Central heating	Over 12 years
Windows	Over 25 years
Cladding	Over 30 years

Depreciation and Impairment of Other Tangible Assets

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

<i>Asset Category</i>	<i>Depreciation Rate</i>
Office Premises	-2%
Furniture & Fittings	-33%
Computer & Office Equipment	-33%
Van	-33%

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

Social Housing Grants and Other Capital Grants

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

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

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

Sales Of Housing Properties

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

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

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Taxation

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

Leases

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives or the term of the lease whichever is shorter.

Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property, a material reduction in future maintenance costs, or a significant extension of the life of the property.

Capitalisation Of Development Overheads

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

Borrowing Costs

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

Property Development Cost

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

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

VAT

The Association is not VAT registered.

Financial Instruments - Basic

The Association classes all of its loans as basic financial instruments including agreements with break clauses. The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

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

Cash and Liquid Resources

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

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies

The preparation of financial statements requires the use of certain accounting judgements and accounting estimates. It also requires the the Association to exercise judgement in applying the it's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below.

Key Judgements

a) Categorisation of Housing Properties

In the judgement of the Management Committee the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

b) Identification of cash generating units

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

c) Financial instrument break clauses

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

d) Pension Liability

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. The Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method. Judgements relating to the benefits issue are included in Note 27.

Estimation Uncertainty

a) Rent Arrears - Bad Debt Provision

The Association assesses the recoverability of rent arrears through a detailed assessment process which considers tenant payment history, arrangements in place and court action.

b) Life Cycle of Components

The Association estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

c) Useful life of properties, plant and equipment

The Association assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this assessment.

d) Defined pension liability

In determining the value of the Association's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds.

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

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

				2023			2022
	Notes	Turnover	Operating costs	Operating surplus / (deficit)	Turnover	Operating costs	Operating surplus / (deficit)
		£	£	£	£	£	£
Affordable letting activities	3	1,607,191	1,467,256	139,935	1,600,639	1,330,456	270,183
Other Activities	4	19,599	19,599	-	17,033	17,033	-
Total		1,626,790	1,486,855	139,935	1,617,672	1,347,489	270,183

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

	General Needs Housing £	2023 Total £	2022 Total £
Revenue from Lettings			
Rent receivable net of service charges	1,251,314	1,251,314	1,233,695
Gross income from rent and service charges	1,251,314	1,251,314	1,233,695
Less: Rent losses from voids	1,041	1,041	2,544
Income from rents and service charges	1,250,273	1,250,273	1,231,151
Grants released from deferred income	349,231	349,231	349,231
Other revenue grants	7,687	7,687	20,257
Total turnover from affordable letting activities	1,607,191	1,607,191	1,600,639
Expenditure on affordable letting activities			
Management and maintenance administration costs	626,549	626,549	517,876
Reactive maintenance costs	281,576	281,576	301,149
Bad Debts - rents and service charges	47,250	47,250	950
Depreciation of affordable let properties	511,881	511,881	510,481
Operating costs of affordable letting activities	1,467,256	1,467,256	1,330,456
Operating surplus on affordable letting activities	139,935	139,935	270,183
2022	270,183		

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

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

	Other income	Total Turnover	Other operating costs	Operating surplus / (deficit) 2023	Operating surplus / (deficit) 2022
	£	£	£	£	£
Factoring	19,599	19,599	19,599	-	-
	—	—	—	—	—
Total From Other Activities	19,599	19,599	19,599	-	-
	—	—	—	—	—
2022	17,033	17,033	17,033	-	—
	—	—	—	—	—

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

5. OFFICERS' EMOLUMENTS

	2023 £	2022 £
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	64,972	70,395
Pension contributions made on behalf on Officers with emoluments greater than £60,000	5,991	6,868
Compensation payable to Officers for loss of office	54,182	-
Emoluments payable to Director (resigned 31st October 2022) (excluding pension contributions)	64,972	70,395
Pension contributions paid on behalf of the Director (resigned 31st October 2022)	5,991	6,868
Total emoluments payable to the Director (resigned 31st October 2022)	70,963	77,263
Total emoluments paid to key management personnel	91,301	77,263
The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-		
£70,001 to £80,000	Number 1	Number 1

6. EMPLOYEE INFORMATION

	2023 No.	2022 No.
Average monthly number of full time equivalent persons employed during the year	5	5
Average total number of employees employed during the year	5	5
Staff costs were:	£	£
Wages and salaries	267,427	170,806
National insurance costs	22,734	17,775
Pension costs	52,189	44,313
Temporary, agency and seconded staff	16,856	-
	359,206	232,894

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2023 £	2022 £
On bank loans and overdrafts	201,587	112,701

8. (DEFICIT) / SURPLUS FOR THE YEAR

	2023 £	2022 £
(Deficit) / Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	518,354	516,954
Auditors' remuneration - audit services	11,940	8,760
Operating lease rentals - other	3,264	3,264

9. CORPORATION TAX

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

10. OTHER FINANCE INCOME / (CHARGES)

	2023 £	2022 £
Net interest on pension obligations	(1,000)	(3,000)

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Total £
COST		
At 1 April 2022	24,648,948	24,648,948
Additions	34,843	34,843
Disposals	(22,352)	(22,352)
At 31 March 2023	24,661,439	24,661,439
DEPRECIATION		
At 1 April 2022	7,748,759	7,748,759
Charge for Year	511,881	511,881
Transfers	(22,352)	(22,352)
At 31 March 2023	8,238,288	8,238,288
NET BOOK VALUE		
At 31 March 2023	16,423,151	16,423,151
At 31 March 2022	16,900,189	16,900,189

	2023		2022	
Expenditure on Existing Properties	<i>Component replacement £</i>	<i>Improvement £</i>	<i>Component replacement £</i>	<i>Improvement £</i>
Amounts capitalised	34,843	-	73,624	166,120
Amounts charged to the statement of comprehensive income	281,576	-	301,149	-

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carrying value of £4,936,534 (2022 - £5,104,066).

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

11. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Total £
COST			
At 1 April 2022	323,668	17,388	341,056
At 31 March 2023	323,668	17,388	341,056
DEPRECIATION			
At 1 April 2022	71,204	17,388	88,592
Charge for year	6,473	-	6,473
At 31 March 2023	77,677	17,388	95,065
NET BOOK VALUE			
At 31 March 2023	245,991	-	245,991
At 31 March 2022	252,464	-	252,464

12. RECEIVABLES

	2023 £	2022 £
Gross arrears of rent and service charges	88,450	14,196
Less: Provision for doubtful debts	(44,974)	-
<i>Net arrears of rent and service charges</i>	43,476	14,196
Other receivables	38,732	22,878
	82,208	37,074

13. CURRENT ASSET INVESTMENTS

	2023 £	2022 £
Short term deposits	101,390	100,011

14. CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash at bank and in hand	742,340	740,373

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

15. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2023	2022
	£	£
Bank loans	150,727	205,408
Trade payables	53,231	35,369
Rent received in advance	103,621	6,754
Other payables	-	3,811
Accruals and deferred income	46,626	28,823
	<u>354,205</u>	<u>280,165</u>

16. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2023	2022
	£	£
Bank loans	4,969,924	5,047,966
	<u>4,969,924</u>	<u>5,047,966</u>

17. DEBT ANALYSIS - BORROWINGS		
	2023	2022
	£	£
Bank Loans		
Amounts due within one year	150,727	205,408
Amounts due in one year or more but less than two years	159,865	209,580
Amounts due in two years or more but less than five years	540,127	657,317
Amounts due in more than five years	4,269,931	4,181,069
	<u>5,120,650</u>	<u>5,253,374</u>

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

Lender	Number of Properties Secured	Effective Interest Rate	Maturity (Year)	Variable or Fixed
Unity Trust Bank	127	5.9%	2042	Variable

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

18. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

Blochairn Housing Association Limited participates in the Scottish Housing Association Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pensions schemes in the UK.

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

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal, then the liability of the withdrawing employer is reapportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

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

	2023	2022
	£	£
Fair value of plan assets	1,021,000	1,440,000
Present value of defined benefit obligation	1,079,000	1,470,000
Surplus / (deficit) in plan	(58,000)	(30,000)
Defined benefit asset / (liability) to be recognised	(58,000)	(30,000)

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2023	2022
	£	£
Defined benefit obligation at the start of period	1,470,000	1,535,000
Expenses	1,000	1,000
Interest expense	41,000	33,000
Actuarial losses (gains) due to scheme experience	(7,000)	27,000
Actuarial losses (gains) due to changes in demographic assumptions	(22,000)	5,000
Actuarial losses (gains) due to changes in financial assumptions	(390,000)	(118,000)
Benefits paid and expenses	(14,000)	(13,000)
Defined benefit obligation at the end of period	<u>1,079,000</u>	<u>1,470,000</u>

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

	2023	2022
	£	£
Fair value of plan assets at start of period	1,440,000	1,371,000
Interest income	40,000	30,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(469,000)	16,000
Contributions by the employer	24,000	36,000
Benefits paid and expenses	(14,000)	(13,000)
Fair value of plan assets at the end of period	<u>1,021,000</u>	<u>1,440,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2023 was (£429,000).

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2023	2022
	£	£
Expenses	1,000	1,000
Net interest expense	1,000	3,000
	<u>2,000</u>	<u>4,000</u>
Defined benefit costs recognised in statement of comprehensive income	2,000	4,000

Defined benefit costs recognised in the other comprehensive income

	2023	2022
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	(469,000)	16,000
Experience gains and losses arising on plan liabilities - gain /(loss)	7,000	(27,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	22,000	(5,000)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	390,000	118,000
	<u>(50,000)</u>	<u>102,000</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	(50,000)	102,000
	<u>(50,000)</u>	<u>102,000</u>
Total amount recognised in other comprehensive income - gain (loss)	(50,000)	102,000

BLOCHAIRN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets	2023	2022	2021
	£	£	£
Absolute Return	14,000	66,000	68,000
Alternative Risk Premia	6,000	59,000	55,000
Corporate Bond Fund	1,000	91,000	103,000
Credit Relative Value	39,000	46,000	40,000
Distressed Opportunities	31,000	52,000	47,000
Emerging Markets Debt	8,000	54,000	55,000
Cash	4,000	4,000	-
Global Equity	27,000	285,000	212,000
Currency Hedging	2,000	(5,000)	-
Infrastructure	110,000	90,000	77,000
Insurance-Linked Securities	28,000	30,000	29,000
Liability Driven Investment	433,000	348,000	329,000
Long Lease Property	34,000	41,000	32,000
Net Current Assets	2,000	5,000	10,000
Over 15 Year Gilts	-	1,000	1,000
Private Debt	46,000	36,000	32,000
Property	43,000	37,000	25,000
Risk Sharing	75,000	47,000	49,000
Secured Income	68,000	77,000	75,000
Opportunistic Illiquid Credit	45,000	48,000	35,000
Opportunistic Credit	-	5,000	37,000
Liquid Credit	-	9,000	24,000
High Yield	5,000	14,000	36,000
Total assets	<u>1,021,000</u>	<u>1,440,000</u>	<u>1,371,000</u>

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

Key Assumptions

	2023	2022	2021
Discount Rate	4.9%	2.8%	2.2%
Inflation (RPI)	3.2%	3.6%	3.3%
Inflation (CPI)	2.7%	3.2%	2.9%
Salary Growth	3.7%	4.2%	3.9%
	75% of	75% of	75% of
	maximum	maximum	maximum
Allowance for commutation of pension for cash at retirement	<u>allowance</u>	<u>allowance</u>	<u>allowance</u>

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

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

BLOCHAIRN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. DEFERRED INCOME

	Social Housing Grants £	Total £
Capital grants received		
At 1 April 2022	16,381,470	16,381,470
At 31 March 2023	16,381,470	16,381,470
Amortisation		
At 1 April 2022	6,890,067	6,890,067
Amortisation in year	349,231	349,231
At 31 March 2023	7,239,298	7,239,298
Net book value		
At 31 March 2023	9,142,172	9,142,172
At 31 March 2022	9,491,403	9,491,403

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

	2023 £	2022 £
Amounts due within one year	349,231	349,231
Amounts due in more than one year	8,792,941	9,142,172
	9,142,172	9,491,403

20. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2023 £	2022 £
At 1 April	85	94
Issued in year	5	8
Cancelled in year	(20)	(17)
At 31 March	70	85

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.

BLOCHAIRN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. CASH FLOWS

Reconciliation of net cash flow to movement in net debt

	2023	2022
	£	£
Increase / (decrease) in cash	1,967	(142,040)
Change in liquid resources	1,379	-
Cashflow from change in net debt	132,723	195,240
Movement in net debt during the year	136,069	53,200
Net debt at 1 April	(4,412,990)	(4,466,190)
Net debt at 31 March	(4,276,921)	(4,412,990)

	At 01 April 2022	Cashflows	Other Changes	At 31 March 2023
	£	£	£	£
Cash and cash equivalents	740,373	1,967	-	742,340
	740,373	1,967	-	742,340
Liquid resources	100,011	1,379	-	101,390
Debt: Due within one year	(205,408)	132,723	(78,042)	(150,727)
Due after more than one year	(5,047,966)	-	78,042	(4,969,924)
Net debt	(4,412,990)	136,069	-	(4,276,921)

22. COMMITMENTS UNDER OPERATING LEASES

	2023	2022
	£	£
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
Other		
Expiring in the next year	3,262	3,262
Expiring later than one year and not later than five years	1,088	4,350

23. 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 1 Blochairn Road, Royston, Glasgow, G21 2ED.

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

24. HOUSING STOCK

	2023	2022
	No.	No.
The number of units of accommodation in management at the year end was:-		
General needs	292	292
	292	292

BLOCHAIRN HOUSING ASSOCIATION LIMITED

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

25. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £739 (2022 - £9) in the year by way of reimbursement of expenses. No remuneration is paid to Management Committee members in respect of their duties to the Association.

26. RELATED PARTY TRANSACTIONS

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

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

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

	2023 £	2022 £
Rent received from tenants on the Management Committee and their close family members	94,408	57,906
Factoring charges received from factored owners on the Management Committee and their close family members	1,399	1,625
Management Committee expenses paid in the year	739	9

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £5,148 (2022 - £2,072).

At the year end total factoring arrears owed by owner occupiers on the Management Committee (and their close family) were £115 (2022 - £7).

During the year, the Association received services from D&R Decorators and DP Decorators Ltd to the value of £33,206 (2022 - £34,589). A relative of the Director has a significant interest in this business. This has been declared in the Register of Interests and recorded by the Management Committee.

Members of the Management Committee who are tenants	11	11
Members of the Management Committee who are owner occupiers	2	3

BLOCHAIRN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. CONTINGENT LIABILITY

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