



Alexander Sloan
Accountants and Business Advisers

Southside Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2022

Registered Social Landlord No. HCB186

FCA Reference No. 1694R(S)

Scottish Charity No. SC036009

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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SOUTHSIDE HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2022

MANAGEMENT COMMITTEE

Margaret McIntyre

Alex Cameron

Jonah Chireka

Iain Dyer

Betty Macneill

Surjit Singh Chowdhary

Bob Turnbull

Munir Choudry

Alison Devlin

Ruth McCluskey

Shirley Robison

Chairperson

Vice Chairperson

Secretary

Honorary President

(resigned 28 April 2022)

EXECUTIVE OFFICERS

Patrick McGrath

Allan Forfar

Norma Taylor

Manda Wright

Donna Reilly

Director

Head of Housing Management (resigned 18
March 2022)

Deputy Director

Head of Finance & Commercial

Head of Investment & Development

REGISTERED OFFICE

135 Fifty Pitches Road

Glasgow

G51 4EB

EXTERNAL AUDITORS

Alexander Sloan

Accountants and Business Advisers

180 St Vincent Street

Glasgow

G2 5SG

INTERNAL AUDITORS

BDO LLP

4 Atlantic Quay

70 York Street

Glasgow

BANKERS

Bank of Scotland

236 Albert Drive

Glasgow

G41 2NL

SOLICITORS

TC Young

7 West George Street

Glasgow

G2 1BA

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2022

The Management Committee presents its report and the financial statements for the year ended 31 March 2022.

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No. 1694R(S)), the Scottish Housing Regulator as a registered social landlord (No. HCB186) under the Housing (Scotland) Act 2010 and as is a registered Scottish Charity with the charity number SC036009.

Principal Activities

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

Review of Business and Future Developments

The Association reported an operating surplus of £1,439,380 (2020/21: £2,390,162)

The equity balance of £47,710,027 (2020/21: £45,686,467) is reported in the Statement of Financial Position (page 18).

Governing Body

The Association's Governing Body is the Management Committee which meets monthly. Despite the Covid-19 restrictions, the Management Committee continued to meet monthly through 2021/22 and all meetings of the Committee were quorate. Meetings took place virtually using a digital meeting platform. The Association's Annual General Meeting was also held virtually. The Association revised its rules in 2020 to include provision for virtual meetings and utilised this provision during 2021. At the AGM which was held in September, a third of the Management Committee stood down in accordance with our rules and any members who had served for more than 9 consecutive years were subject to a review in accordance with the rules of the Association. All Committee members underwent an annual appraisal, again consistent with our rules and with the Regulatory Framework that we work to.

The Management Committee reviewed the role of the Neighbourhood Committees within the Governing Body structure during 2021/22 and approved a proposal to change the role of the Neighbourhood Committees to a consultative one.

The Association has a complex network of Regulators but there was no significant engagement with any of our Regulators during 2021/22. The Scottish Housing Regulator continued to seek regular updates on Covid and the Association responded positively to this engagement. The Association also made extensive use of the Regulator's Notifiable Events framework to provide formal records of any changes to service delivery as a result of Covid-19. The Senior Officer, Patrick McGrath, indicated his intention to resign from his post in September 2022 and the Management Committee commissioned an Option Appraisal from Arneil Johnston and approved the recruitment of a new Chief Executive. The Management Committee commenced the recruitment process in March 2022 and hopes to make an appointment by June 2022. The Management Committee continued to engage with SHR in relation to this important decision.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Performance as a Registered Landlord

The normal performance of the Association continued to be affected by the pandemic and it was only in the latter part of the year that the main public health restrictions began to be eased. While we enter 2022/2023 operating largely as normal, i.e. back to pre –pandemic service levels, there is a back log of repairs and void properties. Unlike the first year of the pandemic, we were able to offer almost a full repair service and let homes throughout 2021/22, but staff shortages, particularly amongst contractors, due to high infection rates, have placed a significant strain on performance timescales. A sharp rise in inflation globally, and particularly in the UK, and supply chain issues have all compounded the pressures on performance. Table 1 below provides a comparison of key performance indicators from the Annual Return on the Charter (ARC) over the past three years including this year. The starkest indicator of the difference in performance between pre and post pandemic is in the average number of days to re-let properties, up from 12.19 days in 2019/20, to 48.99 days in 2021/22.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Table 1 –Summary of Performance Outputs Reported in the ARC.

Indicators	2019/20	2020/21	2021/22	Scottish Average 2020/21
Gross Rent Arrears as a percentage of rent due (Indicator 27)	5.91	6.47	6.56	6.1
Average days to re-let properties (Indicator 30)	12.9	38.73	48.99	56.3
Percentage of rent due lost through empty properties (Indicator 34)	0.33	0.66	0.87	1.4
Percentage of tenancy offers refused (Indicator 14)	30.8	38.35	49.65	31.9
Percentage of New tenancies sustained for more than a year (Indicator 16) *All Lets	93.67	93.71	89.59	90.9
Percentage of tenants satisfied with the quality of their home (Indicator 7)	96	96	96	87.1
Average hours taken to complete emergency repairs (Indicator 8)	1.72	1.99	2.61	4.2
Average length of time taken to complete non-emergency repairs (Indicator 9)	3.98	2.81	4.32	6.7
Percentage of homes with gas safety record renewed by anniversary date (Indicator 11)	100	100	99.81	96.7
Indicators	2019/20	2020/21	2021/22	Scottish Average 2020/21
Percentage of reactive repairs completed right first time (Indicator 10)	91.05	96.98	90.82	91.5
Satisfaction with repairs service (Indicator 12)	90.60	-----	62.79	90.1
Percentage of self-contained properties that meet SHQS (Indicator 6)	81.35	74.76	71.46	91
Percentage of self-contained properties meeting EESSH (C10)	79.6	84.4	81.6	90.87
Percentage of stage 1 complaints responded to in full (Indicator 3)	98.7	88	94.64	N/A
Percentage of stage 2 complaints responded to in full (Indicator 4)	94.45	91.67	88.24	N/A

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Despite investment in the stock, the compliance rates for SHQS and EESSH have both fallen. In the case of the SHQS the addition of the new smoke and heat compliance standard has meant that some properties where we have been unable to gain access are now failing SHQS. Although the programme of new heat and smoke alarms has been relatively successful, we have approximately 70 properties where, despite multiple attempts, we have failed to gain access. A programme of targeting these properties will continue over the summer of 2022. EESSH compliance rates have fallen as a result of new acquisitions of non-compliant pre-1919 tenement stock.

A detailed comparative report on the ARC is delivered to every tenant in October each year along with an Annual Assurance statement to customers that will highlight strengths and weaknesses in relation to our regulatory obligations.

Investment in our Homes

The various phases of restrictions posed by the pandemic did have an impact upon major investment programmes, but not on the same scale as the disruption in 2020. However access to tenanted properties was still quite challenging. We completed the Air Source Heat Pump programme during the year and also finished the programme of improved fire safety measures. New heating systems will continue to dominate the capital programme in the coming year.

Table 2 - Capital and Revenue Improvement Projects 1 April 2021- 31 March 2022

Project	Address	No. of Properties	Spend
Kitchen Replacement	Ad-hoc Properties	4	£27,194.51
Bathroom Replacement	Ad- hoc Properties	6	£24,799.97
Gas Boiler Replacement	Ad- hoc Properties	8	£41,389.49
Full Central Heating Systems Upgrade	Ad- Hoc Properties	5	£24,570.28
Communal Doors - Upgrade to Fire Doors	27- 31 St Andrews Drive, 21 - 39 St Andrews Crescent	7 Blocks	£407,309.10

Building New Homes

The Association seeks to address housing need in the community and helps the Council to tackle homelessness through a programme of housebuilding. Table 3 below sets out the scale of the Association's Development commitments over the past year where we have committed expenditure of approximately £30m on new homes. Our programme of works includes the completion of the first EnerPhit standard pre-1919 tenement retrofit which is part of our efforts to meet the Net Zero Housing Standard by 2045. The Association is working closely with the design team, contractor and academics from University of Glasgow and University of Strathclyde to evaluate and learn from this work.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Table 3 – New Homes

No	Project	Rent	MMR	Shared Equity	Other	Grant Funding (£M)	SHA Funding (£M)	Completion
1	43 Allison Street	33	16		1	£4.038	£3.387	March 2022
2	St Andrews Dr, Phase 2	59		17		£9.125	£4.980	Winter 2022
3	St Andrews Dr, Phase 3	32		12		£5.038	£2.240	Winter 2022
4	Strathbungo Phase 2	30	0	0	0	£0.711	£1.034	Phased Handover to June 2023
5	Niddrie Road	8	0	0	0	£0.617	£0.344	June 2022
	TOTAL	130	16	29	1	£19.529	£11.985	

In addition to this work we have also environmental improvement works at Halfway Park, follow up work to the main contract, and we have prepared tenders for environmental work at Queensland after the first tender exercise had to be aborted.

Southside Factoring and Related Services Ltd. (SFARS Ltd.)

The Association began a programme of integrating the service delivery of factoring and Mid-Market Rent into our main customer service teams during 2021/22. In addition the Management Committee has begun a review of the factoring service and plans to move the delivery of factoring into the charitable parent by April 2023. SFARS produces a separate set of audited accounts.

Care and Repair

The Association is the Managing Agent for Glasgow Care and Repair and carries out a range of work for older and disabled home owners and for older tenants of housing associations. The service underwent a major review with partners Glasgow City Council and Glasgow Health and Social Care Partnership in 2021 but the Association is disappointed to note that the long term funding of the service remains unresolved. A full report on the funding and outputs from the service is provided to partners annually. The service is delivered to elderly and disabled home owners across the city but in addition, vulnerable SHA tenants benefit from a Handy Person Service. Table 4 below provides a breakdown of the numbers of and types of jobs carried out by Care and Repair for vulnerable SHA tenants.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Table 4 Handyman Service for SHA Tenants

	Apr - Sep 21	Oct 21 - Mar 22	Total
Joinery	60	35	95
Electrical	6	17	23
Plumbing	3	4	7
Minor Adaptations	-	-	-
Key Safes	4	10	14
Safety & Security	7	-	7
Home	23	38	61
Lower Thresholds	-	-	-
Internal Accessibility	-	-	-
Grab Rails	4	6	10
Doors & Windows	2	-	2
Advice by HP	6	1	7
Signpost by Office	6	12	18
Total	115	111	226

Advice Services

The Association continues to maintain specialist knowledge in Welfare Rights and Money Advice Services and as well as providing these services to our own residents, we also provide support to other housing associations and community organisations. Tables 5 & 6 below provide a breakdown of the Advice Service activity over 2021/22.

Table 5: Welfare Rights Caseload and Financial Outcomes

Client Details Count Number of Clients	Case Details Count Number of Cases	Financial Gains Sum Calculated Financial Gain
1238	2554	£2,156,630.86

Although the number of cases is reduced, the financial outputs have increased.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Table 6: Breakdown of Financial secured by Advice Service

Case Funding Sources Funding Source	Case Details Count Number of Cases	Financial Gains Sum Calculated Financial Gain
Cathcart	117	£201,415.54
Community	34	£39,813.65
Craigdale HA	130	£235,500.25
Energy Savings Trust	951	£36,424.99
New Gorbals	29	£8,253.43
SFHA Fuel voucher project	394	£15,400.00
SGDLF	7	£2,260.04
Southside	878	£1,555,564.61
The Well	14	£62,026.35
Report Total	2554	£2,156,630.86

In addition to the main Welfare Rights outputs set out above, the service also provides specialist debt advice and is registered with the Financial Conduct Authority for this service. Table 7 below provide a breakdown of the main outputs for this service in the past year.

Table 7. Money Advice New Cases 2021/2022 per service

Funding Source	Number of Active cases
Southside Housing Association	29
Cathcart & District Housing Association	2
Craigdale Housing Association	3
New Gorbals Housing Association	3
The Well	2
Community Cases	1
Total	40

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2022

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.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2022

Statement on Internal Financial Control

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

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

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

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

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year end 31 March 2022. 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 £500 (2021 - £2050).

Disclosure of Information to the Auditor

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

Auditor

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

SOUTHSIDE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2022

By order of the Management Committee

JONAH CHIREKA
Secretary

SOUTHSIDE HOUSING ASSOCIATION LIMITED

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

In addition to our audit of the financial statements, we have reviewed your statement on page 10 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement of Internal Financial Control on page 10 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

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

ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW



SOUTHSIDE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHSIDE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2022 (continued)

Opinion

We have audited the financial statements of Southside Housing Association Limited (the 'Association') for the year ended 31 March 2022 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 2022 and of the surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Management Committee use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Management Committee with respect to going concern are described in the relevant sections of this report.

Other Information

The Management Committee is responsible for the other information. The other information comprises the information contained in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHSIDE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2022 (continued)

Other Information (Contd.)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Management Committee

As explained more fully in the statement of Management Committee's responsibilities as set out on page 9, the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give true and fair view, and for such internal control as the Management Committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

SOUTHSIDE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHSIDE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2022 (continued)

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we gained an understanding of the legal and regulatory framework applicable to the Association through discussions with the Management Committee and other management, and from our wider knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014 (and related regulations), the Housing (Scotland) Act 2010 and other laws and regulations applicable to a registered social housing provider in Scotland. We also considered the risks of non-compliance with the other requirements imposed by the Scottish Housing Regulator and we considered the extent to which non-compliance might have a material effect on the financial statements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

SOUTHSIDE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHSIDE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2022 (continued)

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

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

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

Description of the auditor's responsibilities for the audit of the financial statements

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

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

Use of our Report

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

ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW



SOUTHSIDE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Revenue	2		14,057,197		14,388,304
Operating costs	2		12,617,817		11,998,142
OPERATING SURPLUS			<u>1,439,380</u>		<u>2,390,162</u>
Gain on sale of housing stock	7	-		396,316	
Release of negative goodwill	14	111,000		111,000	
Exceptional item	28	(8,234)		129,424	
Interest receivable and other income		63		13,856	
Interest payable and similar charges	8	(101,669)		(158,981)	
Other Finance income/(charges)	11	<u>(18,000)</u>		<u>(9,000)</u>	
			<u>(16,840)</u>		<u>482,615</u>
Surplus on ordinary activities before taxation	9		<u>1,422,540</u>		<u>2,872,777</u>
SURPLUS FOR THE YEAR			<u>1,422,540</u>		<u>2,872,777</u>
Other comprehensive income					
Actuarial gains/(losses) on defined benefit pension plan	21		<u>601,000</u>		<u>(353,000)</u>
TOTAL COMPREHENSIVE INCOME			<u><u>2,023,540</u></u>		<u><u>2,519,777</u></u>

The results relate wholly to continuing activities.

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

SOUTHSIDE HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
NON-CURRENT ASSETS					
Housing properties - depreciated cost	12		122,869,913		109,283,199
Other tangible assets	12		1,857,822		1,892,449
Intangible assets	12		388,687		345,287
Investments	13		1		1
			<u>125,116,422</u>		<u>111,520,936</u>
Negative goodwill	14		(4,331,824)		(4,442,824)
CURRENT ASSETS					
Receivables	15	3,093,583		1,498,474	
Other Current Assets	16	97,305		121,126	
Cash and cash equivalents	17	3,675,878		5,282,492	
			<u>6,866,766</u>	<u>6,902,092</u>	
CREDITORS: Amounts falling due within one year	18	(5,512,215)		(4,564,099)	
NET CURRENT ASSETS			<u>1,354,551</u>		<u>2,337,993</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			122,139,149		109,416,105
CREDITORS: Amounts falling due after more than one year	19		(1,284,268)		(1,414,813)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	21	(76,000)		(526,367)	
Strathclyde pension fund	21	-		(189,000)	
			<u>(76,000)</u>	<u>(715,367)</u>	
DEFERRED INCOME					
Social housing grants	22	(72,990,239)		(61,520,844)	
Other grants	22	(78,615)		(78,615)	
			<u>(73,068,854)</u>	<u>(61,599,459)</u>	
NET ASSETS			<u>47,710,027</u>		<u>45,686,467</u>
EQUITY					
Share capital	23		223		202
Revenue reserves			47,785,804		46,401,631
Pension reserves			(76,000)		(715,367)
			<u>47,710,027</u>		<u>45,686,467</u>

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 18 August 2022.

Committee Member

Committee Member

Secretary

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

SOUTHSIDE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022	2021
		£	£
Surplus for the Year		1,422,540	2,872,777
<i>Adjustments for non-cash items:</i>			
Depreciation of tangible fixed assets	12	2,897,115	3,423,339
Amortisation of intangible assets	12	86,126	86,322
Amortisation of capital grants	22	(1,622,054)	(1,791,644)
Gain on disposal of tangible fixed assets		-	(395,274)
Release of negative goodwill	14	(111,000)	(111,000)
Non-cash adjustments to pension provisions		(38,367)	(132,589)
Share capital written off	23	-	(7)
		<u>1,211,820</u>	<u>1,079,147</u>
Interest receivable		(63)	(13,856)
Interest payable	8	101,669	158,981
		<u>1,211,757</u>	<u>1,065,291</u>
Operating cash flows before movements in working capital		2,735,965	4,097,048
Change in stock		(36,805)	-
Change in properties developed for resale		60,626	-
Change in debtors		(1,595,109)	608,796
Change in creditors		991,710	(181,869)
		<u>(579,578)</u>	<u>426,927</u>
Net cash inflow from operating activities		2,156,388	4,523,976
Investing Activities			
Acquisition and construction of properties		(16,102,181)	(8,807,669)
Purchase of Intangible Fixed Assets		(129,526)	(250,932)
Purchase of other fixed assets		(68,732)	(65,846)
Social housing grant received		13,964,366	4,308,504
Social housing grant repaid		(864,290)	(74,596)
Proceeds on disposal of housing properties		(278,287)	872,955
Proceeds on disposal of other tangible assets		-	(502)
		<u>(3,478,650)</u>	<u>(4,018,086)</u>
Net cash outflow from investing activities		(3,478,650)	(4,018,086)
Financing Activities			
Interest received on cash and cash equivalents		63	13,856
Interest paid on loans		(101,669)	(158,981)
Loan principal repayments		(182,767)	(183,878)
Share capital issued	23	21	1
		<u>(284,352)</u>	<u>(329,002)</u>
Net cash outflow from financing activities		(284,352)	(329,002)
(decrease)/increase in cash	24	(1,606,614)	176,888
Opening cash & cash equivalents		5,282,492	5,105,604
Closing cash & cash equivalents		<u>3,675,878</u>	<u>5,282,492</u>
Cash and cash equivalents as at 31 March			
Cash	24	3,675,878	5,282,492
		<u>3,675,878</u>	<u>5,282,492</u>

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

SOUTHSIDE HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2022

	Share Capital	Strathclyde Pension Reserve	Scottish Housing Association Pension Reserve	Revenue Reserve	Total
	£	£	£	£	£
Balance as at 31 March 2020	208	(387,000)	(107,956)	43,661,444	43,166,696
Issue of Shares	1	-	-	-	1
Cancellation of Shares	(7)	-	-	-	(7)
Other comprehensive income	-	193,000	(546,000)	-	(353,000)
Other movements	-	5,000	127,589	(132,589)	-
Surplus for the year	-	-	-	2,872,777	2,872,777
Balance as at 31 March 2021	202	(189,000)	(526,367)	46,401,631	45,686,467
Balance as at 1 April 2021	202	(189,000)	(526,367)	46,401,631	45,686,467
Issue of Shares	21	-	-	-	21
Cancellation of Shares	-	-	-	-	-
Other comprehensive income	-	273,000	328,000	-	601,000
Other movements	-	(84,000)	122,367	(38,367)	-
Surplus for the year	-	-	-	1,422,540	1,422,540
Balance as at 31 March 2022	223	-	(76,000)	47,785,804	47,710,027

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

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

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

Revenue

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

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

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

Retirement Benefits

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

The Association previously participated in the Scottish Housing Association Pension Scheme (SHAPS) a multi-employer defined benefit scheme where retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association moved to the SHAPS defined contribution scheme on leaving the defined benefit scheme. A number of members of the Association's staff are also members of a Defined Contribution Pension Scheme administered by Scottish Widows. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

Going Concern

On the basis that the Management Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, the Association has adopted the going concern basis of accounting in preparing these financial statements.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Housing Properties

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

<i>Component</i>	<i>Useful Economic Life</i>
Windows	30 years
Kitchen	15 years
Bathroom	20 years
Central Heating	20 years
Boilers	15 years
Rewiring	25 years
Lift Installation	25 years
Structure	50 years
CCTV	10 years

Depreciation and Impairment of Other Tangible Assets

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

<i>Asset Category</i>	<i>Depreciation Rate</i>
Office Premises	2%
Furniture and Fittings	33%
Computer & Office Equipment	20%-33%
Motor vehicles	20%

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

Social Housing Grants and Other Capital Grants

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

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

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

Sales Of Housing Properties

Disposals under shared equity schemes are accounted for in the statement of comprehensive income. Unsold shared equity properties are included within current assets net of grant received.

Taxation

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

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Leases

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

Works to Existing Properties

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

Capitalisation Of Development Overheads

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

Borrowing Costs

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

Property Development Cost

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

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

Negative Goodwill

Negative goodwill created through acquisition is written off to the Statement of Comprehensive Income as the non-cash assets acquired are depreciated or sold.

VAT

The Association is VAT registered but the substantial proportion of its income is exempt for VAT purposes. As a result most of the VAT paid is not recovered and therefore expenditure is shown inclusive of VAT.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

Financial Instruments - Basic

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

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

Cash and Liquid Resources

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

Impairment

The Association assesses at the end of each accounting period whether there are indications that a non-current asset may be impaired or that an impairment loss previously recognised has fully or partially reversed.

Where the carrying value of non-current assets is less than their recoverable amounts the shortfall is recognised as an impairment loss in the Statement of Comprehensive Income. The recoverable amount is the higher of the fair value less costs to sell and value-in-use of the asset based on its service potential.

Impairment losses previously recognised are reversed if the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies

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

Key Judgements

a) Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Financial instrument break clauses

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

d) Pension Liability

The Association participated in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. The Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method. Judgements relating to the benefits issue are included in Note 31.

Estimation Uncertainty

a) Rent Arrears - Bad Debt Provision

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

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

d) Costs of shared ownership

The Association allocates costs to shared ownership properties on a percentage basis split across the number of properties the Association owns.

e) Defined pension liability

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

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 NOTES TO THE FINANCIAL STATEMENTS (continued)

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

		2022			2021		
	Notes	Turnover £	Operating costs £	Operating surplus / (deficit) £	Turnover £	Operating costs £	Operating surplus / (deficit) £
Affordable letting activities	3	12,846,231	11,329,741	1,516,490	12,905,258	10,739,874	2,165,383
Other Activities	4	1,210,966	1,288,076	(77,110)	1,483,047	1,258,268	224,778
Total		14,057,197	12,617,817	1,439,380	14,388,304	11,998,142	2,390,162

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

	General Needs Housing £	Supported Housing £	Shared Ownership £	2022 Total £	2021 Total £
Revenue from Lettings					
Rent receivable net of service charges	9,742,839	1,069,369	212,220	11,024,428	10,886,526
Service charges receivable	373,049	18,975	3,795	395,819	292,597
Gross income from rent and service charges	10,115,888	1,088,344	216,015	11,420,247	11,179,123
Less: Rent losses from voids	196,070	-	-	196,070	132,983
Income from rents and service charges	9,919,818	1,088,344	216,015	11,224,177	11,046,140
Grants released from deferred income	1,560,052	-	62,002	1,622,054	1,791,644
Other revenue grants	-	-	-	-	67,474
Total turnover from affordable letting activities	11,479,870	1,088,344	278,017	12,846,231	12,905,258
Expenditure on affordable letting activities					
Management and maintenance administration	4,409,379	495,739	99,148	5,004,266	4,265,562
Service costs	336,913	46,232	9,246	392,391	614,582
Planned and cyclical maintenance, including major repairs	1,530,395	166,696	33,340	1,730,430	933,372
Reactive maintenance costs	1,336,721	140,734	28,147	1,505,601	1,449,075
Bad Debts - rents and service charges	159,790	18,163	3,633	181,586	161,093
Depreciation of affordable let properties	2,424,017	-	91,451	2,515,468	2,921,138
Impairment of affordable letting activities	-	-	-	-	395,053
Operating costs of affordable letting activities	10,197,214	867,563	264,964	11,329,741	10,739,874
Operating surplus on affordable letting activities	1,282,656	220,781	13,053	1,516,490	2,165,383
2021	1,716,024	374,466	74,894		

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2022	Operating surplus / (deficit) 2021
	£	£	£	£	£	£	£	£	£
Wider role activities	-	75,941	-	320	76,261	-	71,058	5,203	2,618
Care and repair	267,887	102,100	52,782	12,021	434,789	-	352,038	82,752	119,146
Investment property activities	-	-	-	-	-	-	-	-	-
Support activities	76,283	59,024	(25)	1,423	136,705	-	104,646	32,059	85,601
Care activities	-	-	-	-	-	-	-	-	-
Subsidiary	-	-	-	101,256	101,256	-	-	101,256	55,000
Food point project	-	-	-	-	-	-	-	-	(4,819)
Other activities	-	17,632	-	189,301	206,933	-	340,586	(133,653)	76,441
Commercial Leases	-	-	-	33,040	33,040	-	-	33,040	60,037
Development Costs	-	221,982	-	-	221,982	-	419,749	(197,767)	(169,246)
Total From Other Activities	344,170	476,679	52,757	337,360	1,210,966	-	1,288,076	(77,110)	224,778
2021	311,550	375,863	23,065	772,569	1,483,047	169,246	1,258,268	224,778	

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS

	2022	2021
	£	£
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee,		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	139,097	193,570
Pension contributions made on behalf on Officers with emoluments greater than £60,000	47,325	74,525
Emoluments payable to Director (excluding pension contributions)	73,190	64,456
Pension contributions paid on behalf of the Director	30,966	39,997
Total emoluments payable to the Director	104,156	104,453
Total emoluments paid to key management personnel	408,158	404,914

The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-

	Number	Number
£60,001 to £70,000	-	1
£70,001 to £80,000	2	2
£80,001 to £90,000	2	1
£100,001 to £110,000	1	1

6. EMPLOYEE INFORMATION

	2022	2021
	No.	No.
Average monthly number of full time equivalent persons employed during	93	92
Average total number of employees employed during the year	105	103
Staff costs were:	£	£
Wages and salaries	2,986,680	2,837,394
National insurance costs	289,383	263,902
Pension costs	573,538	531,568
Temporary, agency and seconded staff	47,137	5,559
	3,896,738	3,638,423

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. GAIN ON SALE OF HOUSING STOCK

	2022	2021
	£	£
Sales proceeds	-	488,606
Cost of sales	-	92,290
Gain on sale of housing stock	-	396,316

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	£	£
On bank loans and overdrafts	14,169	71,481
Non-utilisation fees	87,500	87,500
	101,669	158,981

9. SURPLUS FOR THE YEAR

	2022	2021
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	2,897,115	3,423,339
(Loss) on component disposals	-	3,101
Auditors' remuneration - audit services	18,000	19,680
Operating lease rentals - other	19,979	26,377
(Loss) on sale of other non-current assets	-	1,042

10. CORPORATION TAX

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

11. OTHER FINANCE INCOME / (CHARGES)

	2022	2021
	£	£
Net interest on pension obligations	(18,000)	(9,000)

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
COST				
At 1 April 2021	127,267,853	23,382,553	4,277,364	154,927,770
Additions	2,866,748	13,235,433	-	16,102,181
Disposals	-	-	-	-
Transfers	487,491	(487,491)	-	0
At 31 March 2022	<u>130,622,092</u>	<u>36,130,495</u>	<u>4,277,364</u>	<u>171,029,952</u>
DEPRECIATION				
At 1 April 2021	44,900,871	-	743,700	45,644,571
Charge for Year	2,702,304	-	91,451	2,793,755
Transfers	-	-	-	-
Disposals	(278,287)	-	-	(278,287)
At 31 March 2022	<u>47,324,888</u>	<u>-</u>	<u>835,151</u>	<u>48,160,039</u>
NET BOOK VALUE				
At 31 March 2022	<u>83,297,204</u>	<u>36,130,495</u>	<u>3,442,213</u>	<u>122,869,913</u>
At 31 March 2021	<u>82,366,982</u>	<u>23,382,553</u>	<u>3,533,664</u>	<u>109,283,199</u>

	2022		2021	
	<i>Component replacement</i> £	<i>Improvement</i> £	<i>Component replacement</i> -	<i>Improvement</i> £
Expenditure on Existing Properties				
Amounts capitalised	2,866,748	-	1,566,713	-
Amounts charged to the statement of comprehensive income	-	3,236,031	-	2,382,447
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £28,190,198 (2021 - £34,015,882)

The depreciation charge on housing properties as shown above differs from that per Note 3 due to accelerated depreciation on component replacements.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Motor Vehicles £	Commerical Property £	Total £
COST					
At 1 April 2021	2,530,389	91,664	102,338	425,552	3,149,943
Additions	-	49,038	19,694	-	68,732
Eliminated on disposals	-	-	-	-	-
At 31 March 2022	<u>2,530,389</u>	<u>140,702</u>	<u>122,032</u>	<u>425,552</u>	<u>3,218,675</u>
DEPRECIATION					
At 1 April 2021	970,389	47,530	56,306	183,269	1,257,494
Charge for year	47,641	29,110	18,108	8,501	103,359
Eliminated on disposals	-	-	-	-	-
At 31 March 2022	<u>1,018,029</u>	<u>76,640</u>	<u>74,413</u>	<u>191,770</u>	<u>1,360,853</u>
NET BOOK VALUE					
At 31 March 2022	<u>1,512,360</u>	<u>64,062</u>	<u>47,619</u>	<u>233,782</u>	<u>1,857,822</u>
At 31 March 2021	<u>1,560,000</u>	<u>44,134</u>	<u>46,033</u>	<u>242,283</u>	<u>1,892,449</u>

12. (c) Intangible assets

	Website & Software £	Total £
COST		
At 1 April 2021	431,608	431,608
Additions	129,526	129,526
At 31 March 2022	<u>561,134</u>	<u>561,134</u>
AMORTISATION		
At 1 April 2021	86,322	86,322
Charge for year	86,126	86,126
At 31 March 2022	<u>172,448</u>	<u>172,448</u>
NET BOOK VALUE		
At 31 March 2022	<u>388,687</u>	<u>388,687</u>
At 31 March 2021	<u>345,287</u>	<u>345,287</u>

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 NOTES TO THE FINANCIAL STATEMENTS (continued)

13. FIXED ASSET INVESTMENTS

	2022	2021
	£	£
Subsidiary undertakings	1	1

Subsidiary Undertakings

Southside Housing Association Limited has the following wholly owned subsidiary undertakings. The

	Share Capital	2022		2021	
		Unaudited	Profit / (Loss)	Audited	Profit / (Loss)
		Reserves	(Loss)	Reserves	(Loss)
		£	£	£	£
Southside Factoring and Related Services Ltd	100%	91,160	30,296	60,865	71,143

14. NEGATIVE GOODWILL

	2022	2021
	£	£
At 1 April 2021	4,442,824	4,553,824
Released during the year to the statement of comprehensive income	(111,000)	(111,000)
At 31 March 2022	4,331,824	4,442,824

15. RECEIVABLES

	2022	2021
	£	£
Gross arrears of rent and service charges	811,889	779,618
Less: Provision for doubtful debts	(610,665)	(490,609)
<i>Net arrears of rent and service charges</i>	201,225	289,009
Other receivables	2,802,801	949,154
Amounts due from group undertakings	89,557	260,312
	3,093,583	1,498,474

16. OTHER CURRENT ASSETS

	2022	2021
	£	£
Shared equity properties for sale	60,500	121,126
Stock of maintenance materials	36,805	-
	97,305	121,126

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. CASH AND CASH EQUIVALENTS		
	2022	2021
	£	£
Cash at bank and in hand	<u>3,675,878</u>	<u>5,282,492</u>

18. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2022	2021
	£	£
Bank loans	132,406	184,627
Trade payables	1,858,938	966,263
Rent received in advance	586,721	295,409
Social housing grant in advance	1,088,418	1,079,792
Other taxation and social security	94,756	97,187
Other payables	524,025	542,107
Accruals and deferred income	1,226,952	1,398,714
	<u>5,512,215</u>	<u>4,564,099</u>

19. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2022	2021
	£	£
Bank loans	1,284,268	1,414,813
	<u>1,284,268</u>	<u>1,414,813</u>

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. DEBT ANALYSIS - BORROWINGS

	2022	2021
	£	£
Bank Loans		
Amounts due within one year	132,406	184,627
Amounts due in one year or more but less than two years	142,145	179,627
Amounts due in two years or more but less than five years	392,782	538,881
Amounts due in more than five years	749,341	696,305
	<u>1,416,674</u>	<u>1,599,440</u>

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

Lender	Number of Properties Secured	Interest Rate	Maturity (Year)	Variable or Fixed
Bank of Scotland	26	BOE + 0.3%	2029	Variable
Nationwide Building Society	150	BOE + 0.4%	2034	Variable
Nationwide Building Society	82	BOE + 0.4%	2038	Variable
Handelsbanken	733	SONIA + 1.1%	2024	Variable

BOE means the Bank of England Base Rate. SONIA means the Sterling Overnight Index Average.

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

In accordance with FRS 102 the Association's bank borrowings are valued at amortised cost using the effective interest rate method.

	2022	2021
	£	£
Due to lenders At 31 March 2022	1,648,399	1,836,240
Effective interest rate adjustment	(231,725)	(236,800)
	<u>1,416,674</u>	<u>1,599,440</u>

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

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

The Association moved to a defined contribution scheme but has a net liability for the past service deficit in the defined benefit scheme.

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

The last valuation of the Scheme was performed as at 30 September 2018 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £877m. The valuation revealed a shortfall of assets compared with the value of liabilities of £121m (equivalent to a past service funding level of 89%). A recovery plan is in place to eliminate the past service deficit which runs to 28 February 2022.

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)

	2022	2021	2020
	£	£	£
Fair value of plan assets	4,950,000	4,710,000	4,255,000
Present value of defined benefit obligation	5,026,000	5,236,000	4,363,000
Surplus / (deficit) in plan	(76,000)	(526,000)	(108,000)
Unrecognised surplus	-	-	-
Defined benefit asset / (liability) to be recognised	(76,000)	(526,000)	(108,000)

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2022 £	2021 £
Defined benefit obligation at the start of period	5,236,000	4,363,000
Expenses	4,000	4,000
Interest expense	112,000	103,000
Actuarial losses (gains) due to scheme experience	126,000	(28,000)
Actuarial losses (gains) due to changes in demographic assumptions	16,000	-
Actuarial losses (gains) due to changes in financial assumptions	(414,000)	860,000
Benefits paid and expenses	(54,000)	(66,000)
Defined benefit obligation at the end of period	<u>5,026,000</u>	<u>5,236,000</u>

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

	2022 £	2021 £
Fair value of plan assets at start of period	4,710,000	4,255,000
Interest income	102,000	102,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	56,000	286,000
Contributions by the employer	136,000	133,000
Benefits paid and expenses	(54,000)	(66,000)
Fair value of plan assets at the end of period	<u>4,950,000</u>	<u>4,710,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £158,000

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2022	2021
	£	£
Current service cost	-	-
Expenses	4,000	4,000
Net interest expense	10,000	1,000
	<u> </u>	<u> </u>
Defined benefit costs recognised in statement of comprehensive income	14,000	5,000
	<u> </u>	<u> </u>

income

	2022	2021
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	56,000	286,000
Experience gains and losses arising on plan liabilities - gain /(loss)	(126,000)	28,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	(16,000)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	414,000	(860,000)
	<u> </u>	<u> </u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	328,000	(546,000)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain / (loss)	-	-
	<u> </u>	<u> </u>
Total amount recognised in other comprehensive income - gain (loss)	328,000	(546,000)
	<u> </u>	<u> </u>

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2022	2021	2020
	£	£	£
Absolute Return	227,000	232,000	261,000
Alternative Risk Premia	204,000	189,000	341,000
Corporate Bond Fund	313,000	355,000	311,000
Credit Relative Value	159,000	136,000	102,000
Distressed Opportunities	177,000	161,000	78,000
Emerging Markets Debt	184,000	190,000	151,000
Global Equity	979,000	729,000	585,000
Currency Hedging	(18,000)	-	-
Infrastructure	309,000	263,000	251,000
Insurance-Linked Securities	104,000	98,000	114,000
Liability Driven Investment	1,198,000	1,133,000	1,121,000
Long Lease Property	143,000	109,000	104,000
Net Current Assets	16,000	35,000	32,000
Over 15 Year Gilts	2,000	2,000	54,000
Private Debt	125,000	111,000	84,000
Property	128,000	84,000	79,000
Risk Sharing	161,000	168,000	135,000
Secured Income	264,000	259,000	236,000
Opportunistic Illiquid Credit	164,000	121,000	104,000
Liquid Credit	32,000	81,000	112,000
High Yield	48,000	123,000	-
Opportunistic Credit	17,000	129,000	-
Cash	15,000	2,000	-
Total assets	<u>4,951,000</u>	<u>4,710,000</u>	<u>4,255,000</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

	2022	2021	2020
Discount Rate	2.8%	2.2%	2.4%
Inflation (RPI)	3.6%	3.3%	2.6%
Inflation (CPI)	3.2%	2.9%	1.6%
Salary Growth	4.2%	3.9%	2.6%

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

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 years (years)
Male retiring in 2022	21.6
Female retiring in 2022	23.9
Male retiring in 2042	22.9
Female retiring in 2042	<u>25.4</u>

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme Defined Benefit

Pension Fund Defined Benefit Scheme, the assets of which are held in a separate trustee administered fund.

The administering authority has responsibility for the management of the Fund. As most of the Fund's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the fund's assets. In order to mitigate this risk, the Fund holds a diverse investment portfolio with a range of investment managers.

The following figures are prepared by the Actuaries in accordance with their understanding of FRS 102 and Guidance Note 36: Accounting for Retirement Benefits under FRS 102 issued by the Institute and Faculty of Actuaries.

Principal Actuarial Assumptions

Assumptions as at 31 March	2022 %p.a.	2021 %p.a.	2020 %p.a.
Pension Increase Rate (CPI)	3.20	2.85	1.90
Salary Increase Rate	3.90	3.55	3.00
Discount Rate	2.70	2.00	2.30

Members of the Scheme

	2022 No	2021 No
Employee members	16	18
Deferred pensioners	4	3
Pensioners	8	8
	<u>28</u>	<u>29</u>

Expected Return on Assets

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period as follows:

Asset Class	2022 % p.a.	2021 % p.a.	2020 % p.a.
Equities	64%	66%	0%
Bonds	24%	23%	0%
Property	10%	9%	0%
Cash	2%	2%	0%
Total	<u>100%</u>	<u>100%</u>	<u>0%</u>

Mortality Rates

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and long term rate of employment of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males (Years)	Females (Years)
Current Pensioners	19.6	22.4
Future Pensioners	21.0	24.5

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

Fair value of scheme assets by category

	2022	2021
	%	%
Equities	64%	66%
Gilts	24%	23%
Bonds	10%	9%
Property	2%	2%
	<u>100%</u>	<u>100%</u>

Net Pension Liability

	2022	2021	2020
	£	£	£
Fair value of employer's assets	7,183,000	6,606,000	5,153,000
Present value of scheme liabilities	(6,586,000)	(6,795,000)	(5,499,000)
Surplus / (deficit) in plan	<u>597,000</u>	<u>(189,000)</u>	<u>(346,000)</u>
Unrecognised surplus	597,000	-	-

Defined benefit asset / (liability) to be recognised	<u>597,000</u>	<u>(189,000)</u>	<u>(346,000)</u>
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Reconciliation of fair value of employer assets

	2022	2021	2020
	£	£	£
Opening fair value of employer assets	6,606,000	5,153,000	5,284,000
Expected return on assets	133,000	120,000	128,000
Contributions by members	30,000	31,000	31,000
Contributions by the employer	144,000	145,000	139,000
Actuarial gains / (losses)	381,000	1,184,000	(354,000)
Other experience	-	53,000	-
Estimated benefits paid	(111,000)	(80,000)	(75,000)
	<u>7,183,000</u>	<u>6,606,000</u>	<u>5,153,000</u>

Reconciliation of defined benefit obligations

	2022	2021	2020
	£	£	£
Opening defined benefit obligation	6,795,000	5,499,000	6,047,000
Current service cost	224,000	173,000	293,000
Interest cost	137,000	128,000	149,000
Contributions by members	30,000	31,000	31,000
Actuarial gains / (losses)	(489,000)	1,044,000	(905,000)
Estimated benefits paid	(111,000)	(80,000)	(75,000)
	<u>6,586,000</u>	<u>6,795,000</u>	<u>5,540,000</u>

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
NOTES TO THE FINANCIAL STATEMENTS (continued)

21. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

Analysis of amount charged to the statement of comprehensive income

	2022	2021	2020
	£	£	£
Charged to operating costs:			
Service cost	224,000	173,000	293,000
	<u>224,000</u>	<u>173,000</u>	<u>293,000</u>
Charged to other finance costs / (income)			
Expected return on employer assets	(133,000)	(120,000)	(128,000)
Interest on pension scheme liabilities	137,000	128,000	149,000
	<u>4,000</u>	<u>8,000</u>	<u>21,000</u>
	<u>137,000</u>	<u>128,000</u>	<u>149,000</u>
Net charge to the statement of comprehensive income	<u>228,000</u>	<u>181,000</u>	<u>314,000</u>

Actuarial gain / (loss) recognised in other comprehensive income

	2022	2021	2020
	£	£	£
Actuarial gain/(loss) recognised in year	870,000	193,000	551,000
Restriction on surplus	(597,000)	-	-
Cumulative actuarial gains	<u>2,249,000</u>	<u>1,976,000</u>	<u>1,783,000</u>

Analysis of projected amount to be charged to the statement of comprehensive income for the year ended 31 March 2023

	£	% of pay
Projected current service cost	203,000	43%
Interest on obligation	179,000	38%
Expected return on plan assets	(195,000)	-41%
	<u>187,000</u>	<u>-39%</u>

Contributions made by the Association for the year ended 31 March 2023 are estimated to be approximately £153,000.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 NOTES TO THE FINANCIAL STATEMENTS (continued)

22. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
Capital grants			
At 1 April 2021	61,520,844	78,615	61,599,459
Additions in the year	13,955,740	-	13,955,740
Eliminated on disposal	(864,290)	-	(864,290)
Amortisation	(1,622,054)	-	(1,622,054)
HAG on Shared Equity Properties - Transfe	-	-	-
At 31 March 2022	<u>72,990,239</u>	<u>78,615</u>	<u>73,068,854</u>
Total at 31 March 2022	<u>72,990,239</u>	<u>78,615</u>	<u>73,068,854</u>
Total at 31 March 2021	<u>61,520,844</u>	<u>78,615</u>	<u>61,599,459</u>

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

	2022 £	2021 £
Amounts due within one year	1,622,054	1,791,644
Amounts due in more than one year	71,446,800	59,807,815
	<u>73,068,854</u>	<u>61,599,459</u>

23. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2022 £	2021 £
At 1 April	202	208
Issued in year	21	1
Cancelled in year	-	(7)
At 31 March	<u>223</u>	<u>202</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. CASH FLOWS

Reconciliation of net cash flow to movement in net funds

	£	2022 £	£	2021 £
(Decrease) / increase in cash	(1,606,614)		176,888	
Cashflow from change in net debt	182,767		183,878	
Movement in net funds in the year		(1,423,847)		360,766
Net funds at 1 April		3,683,051		3,322,286
Net funds at 31 March		<u>2,259,204</u>		<u>3,683,052</u>

<i>Analysis of changes in net funds</i>	<i>At</i> <i>01 April 2021</i> £	<i>Cashflows</i> £	<i>Other</i> <i>Changes</i> £	<i>At</i> <i>31 March 2022</i> £
Cash and cash equivalents	5,282,492	(1,606,614)	-	3,675,878
Debt: Due within one year	5,282,492	(1,606,614)	-	3,675,878
Due after more than one year	(184,627)	182,767	(130,546)	(132,406)
Net funds	<u>(1,414,813)</u>	<u>-</u>	<u>130,546</u>	<u>(1,284,268)</u>
	<u>3,683,051</u>	<u>(1,423,847)</u>	<u>-</u>	<u>2,259,204</u>

25. CAPITAL COMMITMENTS

	2022 £	2021 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	11,242,007	25,009,715

The above commitments will be financed by a mixture of public grant, private finance and the Association's own resources.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. COMMITMENTS UNDER OPERATING LEASES

	2022	2021
	£	£
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
Other		
Expiring in the next year	19,979	17,402
Expiring later than one year and not later than five years	<u>10,591</u>	<u>18,326</u>

27. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 135 Fifty Pitches Road, Glasgow, G51 4EB .

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in South Glasgow, Cardonald, Pollokshields, Halfway, Govanhill, Penilee.

28. EXCEPTIONAL ITEM

	2022	2021
	£	£
Halfway Park (Income)/Expenditure	<u>8,234</u>	<u>(129,424)</u>

This expenditure relates to an initiative undertaken by the Association, in partnership with the Scottish National Heritage (SHN) and Glasgow City Council (GCC), to develop green space in to a community park. While the Association, SHN and GCC were the main funders of the project, a number of other bodies also provided grant funding.

SOUTHSIDE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 NOTES TO THE FINANCIAL STATEMENTS (continued)

29. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2022 No.	2021 No.
General needs	2,310	2,263
Supported housing	54	64
Shared ownership	38	42
	<u>2,402</u>	<u>2,369</u>

30. 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:

	2022 £	2021 £
Rent received from tenants on the Management Committee and their close family members	<u>18,528</u>	<u>16,568</u>
Factoring charges received from factored owners on the Management Committee and their close family members	<u>2,009</u>	<u>2,869</u>

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £1,670 (2021 - £496).

At the year end total factoring arrears owed by owner occupiers on the Management Committee (and their close family) were £96 (2021 - £450).

Members of the Management Committee who are tenants	4	3
Members of the Management Committee who are owner occupiers	3	5
Members of the Management Committee who are local councillors	-	1

31 CONTINGENT LIABILITY

The Trustees of The Pension Trust (The Trust) has completed a review of the changes made to the benefit structures of the Scottish Housing Association Defined Benefit Schemes within the Trust. The result of this review is that, in some cases, it is unclear whether changes were made to scheme benefits in accordance with the Trust's governing documentation.

The Trustee has been advised to seek direction from the Court on the effect of these changes. This process is ongoing and is unlikely to be resolved until late 2024 at the earliest.

The Pension Trust have not made their legal advice available and the likelihood of success is currently unknown. For multi-employer schemes, the Trustee is unable to provide the estimated potential additional liability at an individual employer level as this is as yet unknown. Furthermore due to the complexities in relation to back payments, transfers, deaths and orphan liabilities, etc., it may not be possible to ascertain an accurate split by individual employers until after the court ruling, when the scope of any rectification work, should this be required, becomes known. As a result, no provision has therefore been included in the financial statements but the Association does have a contingent liability.