

**Registered Housing Association Number: HCB 277**  
**Charity Registration Number: SC041911**  
**FCA Reference Number: 2420R (S)**

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**REPORT and FINANCIAL STATEMENTS**

**For the year ended 31 March 2024**

## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

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# **RUCHAZIE HOUSING ASSOCIATION LIMITED**

## **THE MANAGEMENT COMMITTEE, EXECUTIVES and ADVISERS**

**For the year ended 31 March 2024**

### **Members of the Management Committee**

M Caldwell	Chairperson
H Holland	Vice Chairperson
A Macdonald	Secretary
R Rigley	Committee Member (Deceased 08 August 2023)
P Uti	Committee Member
T McGuigan	Committee Member
D Mackenzie	Committee Member
G Bell	Committee Member
K Philips	Committee Member
D Khan	Committee Member
C McLellan	Co-optee
D Campbell	Co-optee (co-opted 28 March 2024)

### **Executive Officers**

J Shields	Director
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### **Registered Office**

24 Avondale Street  
Ruchazie  
Glasgow  
G33 3QS

### **External Auditor**

Chiene + Tait LLP (trading as CT)  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh  
EH3 6NL

### **Internal Auditor**

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

### **Bankers**

The Royal Bank of Scotland Plc  
Glasgow Parkhead (A) Branch  
1304 Duke Street  
Glasgow  
G31 5PZ

### **Solicitors**

BTO Solicitors LLP  
48 St Vincent Street  
Glasgow  
G2 5HS

### **Solicitors**

TC Young  
7 West George St  
Glasgow  
G2 1BA

## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

### **REPORT from the MANAGEMENT COMMITTEE**

#### **For the year ended 31 March 2024**

The Management Committee presents their report and the audited Financial Statements for the year ended 31 March 2024.

#### **Legal Status**

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. 1825R (S). The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SC041911.

#### **Principal Activities**

The principal activities of the Association are:

- The provision and management of affordable rented social housing.
- The maintenance and repair of the Associations' properties
- The provision of a factoring service to private tenants

#### **Review of business and future developments**

The Management Committee of Ruchazie Housing Association have faced another challenging year as a result of increasing costs and the impact of the Cost of Living crisis on our tenants who continue to experience higher energy and food costs. The association continued to receive funding to assist with energy costs and energy efficient measures where all of our tenants benefitted from this support.

Collecting rent and managing voids remains a key focus for the association. During 2023/24 more than half of our terminations were as a result of the tenants death, indicating a shift in our tenant base in the coming year. Turnover of staff in the year was low, however a period of long term sickness has impacted slightly on our performance in void turnover.

The Management Committee continue to focus on providing good quality homes for our tenants and ensuring that we obtain best value for money on the services we provide and in line with tenant expectations. The Committee are very much aware of the external drivers that can affect our business and continue to monitor interest rates and inflation in relation to our financial performance.

Although there is limited land availability in our area of operation for development, the Association has been approached by a developer in relation to a small development opportunity within our area of operation. Discussions have been ongoing and we are currently awaiting the outcome of a feasibility study to determine if the project is viable for the association. The association has employed the services of a Development Consultant and an Employers agent to support this work. If successful this project would see our stock increase by up to 34 units.

The Sustainability Reporting Standard for Social Housing (SRS) was launched in November 2020 as a means for housing associations to demonstrate their environmental, social and governance (ESG) credentials. The Management Committee are aware of The Sustainability Reporting Standard (SRS) and the potential requirements of RSL's to undertake assessments and provide information to potential lenders should any future finance be required. The Management Committee will continue to monitor the external environment in regard to any requirements.

Our Management Committee have met nine times in the last year through a mix of hybrid and in person meetings.

## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

### **REPORT from the MANAGEMENT COMMITTEE (continued)**

#### **For the year ended 31 March 2024**

#### **Performance**

The Management Committee monitor performance quarterly and staff and management review each month across key indicators required for the Annual Return on the Charter that include rent collection and arrears, response times for all repairs, response to complaints and anti-social behaviour and adaptations completed. We continue to perform well amongst our peers and landlords in the geographical area.

#### **Governance**

The Management Committee is responsible for overseeing the strategic direction and providing an overview of the performance of the Association. The Association rules provide for up to fifteen committee members.

As at 31<sup>st</sup> March 2024 there are eleven committee members including two co-opted members.

The Scottish Housing Regulator published an engagement plan in March 2023 and again in March 2024 stating our engagement status whereby they don't require any further assurance from Ruchazie Housing Association at this point in time other than the annual regulatory returns required from all Registered Social Landlords.

#### **Risk Management**

Like all businesses, the Association faces a wide variety of risks.

The key risks themes identified by the Committee are:

- Financial resilience
- Lack of Collaboration
- External Factors/Societal changes
- Retaining/developing staff

In managing risk, the Association is supported by an external consultant RSM to identify and consider risks to the association. All risks, causes, effects, controls and assurance are captured on a secure portal and accurate and up to date reports can be drawn from the portal at any time. Risk is mitigated by close attention to external information and advice, membership of professional and representative bodies and obtaining good practice across all areas.

All risk is reviewed at regular intervals, depending on the level of risk after mitigation by the risk owner, quarterly by the Audit & Risk Committee and at least annually by the Management Committee where reports are provided.

#### **Financial Review**

The Association made a surplus for the year of £199,127 (2023: £269,081).

Additions to housing properties at £200,394 includes £5,955 (2023: £177,336) spend on component replacement which has been capitalised and the acquisition of a property under Glasgow City Council's Strategic Acquisition of Private Sector Properties scheme. The property was purchased at a cost of £194,439 and with approved grant funding at £187,439, leaves a net cost to the Association of £7,000.

Turnover of £1,438,554 (2023: £1,354,730) relates to income from the letting of properties at affordable rents. Rent increases in the year were 7% (2023: 3.5%).

At 31 March 2024 £2,877,776 (2023: £2,678,649) was held in revenue reserves.

## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

### **REPORT from the MANAGEMENT COMMITTEE (continued)**

#### **For the year ended 31 March 2024**

#### **Reserves**

The Association needs to have reserves to ensure the organisation can function into the future and meet its future liabilities, including the major repairs and investment needs of its properties. The revenue reserve of £2,877,776 (2023: £2,678,649) reflects primarily the past investment in housing stock and reserves for future major repairs. The Association has a cash level of £971k to support its future plans and operating requirements. The Association reviews its maintenance spending plans regularly and re-assesses them in relation to reserves and cash flows.

#### **Management Committee and Executive Officers**

The members of the Management Committee and the Executive Officers are listed on Page 1.

#### **Auditors**

A resolution to appoint auditors, will be proposed at the Annual General Meeting. The contract for the audit for the year ending 31 March 2025, was put out to tender in July 2024.

#### **Statement of Management Committee's Responsibilities**

The Co-operative and Community Benefit Societies Act 2014 require the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that year. 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 the going concern basis unless it is inappropriate to presume that the Association will continue in business;
- 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 – 2024. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

The Management Committee must, in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Management Committee are aware:

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

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

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

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**REPORT from the MANAGEMENT COMMITTEE (continued)**

**For the year ended 31 March 2024**

**Statement of Management Committee's Responsibilities (continued)**

**Statement on Internal Financial Control**

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:

1. formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
2. experience and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
3. 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;
4. 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;
5. regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
6. all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through the Management Committee;
7. the Management Committee receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken; and
8. 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 ended 31 March 2024. 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 for the financial statements.

BY ORDER OF THE MANAGEMENT COMMITTEE

**H Holland**  
**Secretary**

12th September 2024

**RUCHAZIE HOUSING ASSOCIATION**

**REPORT by the AUDITOR to the MANAGEMENT COMMITTEE on  
CORPORATE GOVERNANCE MATTERS**

**CT:**

**For the year ended 31 March 2024**

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 relating to corporate governance matters within Bulletin 2006/5 issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

**Opinion**

In our opinion the Statement on Internal Financial Control on page 5 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes 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 with in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



**CT  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh  
EH3 6NL**

16 September 2024



## INDEPENDENT AUDITORS REPORT to the MEMBERS of

### RUCHAZIE HOUSING ASSOCIATION LIMITED



For the year ended 31 March 2024

#### **Opinion**

We have audited the financial statements of Ruchazie Housing Association Limited (the Association) for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Capital and Reserves, the Statement of Cash Flows and the 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 2024 and of its income and expenditure 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, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – 2024.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Management Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Management Committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The Management Committee are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT to the MEMBERS of  
RUCHAZIE HOUSING ASSOCIATION LIMITED (continued)**



**For the year ended 31 March 2024**

**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:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

**Responsibilities of the Management Committee**

As explained more fully in the Statement of the Management Committee's Responsibilities set out on page 5, the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

We gained an understanding of the legal and regulatory framework applicable to the Association and the industry in which it operates and considered the risk of acts by the Association which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Housing SORP 2018, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland) Act 2010.

We focused on laws and regulations that could give rise to a material misstatement in the Association's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the members;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

**INDEPENDENT AUDITOR'S REPORT to the MEMBERS of  
RUHAZIE HOUSING ASSOCIATION LIMITED (continued)**

**CT:**

**For the year ended 31 March 2024**

**Auditor's responsibilities for the audit of the financial statements (continued)**

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

**Use of our report**

This report is made solely to the Association's members, as a body, in accordance with 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.



CT  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh  
EH3 6NL

16 September 2024

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**STATEMENT of COMPREHENSIVE INCOME**

**For the year ended 31 March 2024**

	Notes	2024		2023	
		£	£	£	£
<b>Revenue</b>	2		1,438,554		1,354,730
Operating costs	2		(1,089,756)		(979,349)
<b>Operating surplus</b>	2, 9		348,798		375,381
Interest receivable and other similar income		19,664		6,619	
Interest payable and other similar charges	7	(85,335)		(60,919)	
Other finance charges	10	(2,000)		(1,000)	
			(67,671)		(55,300)
<b>Surplus for the year</b>			<b>281,127</b>		<b>320,081</b>
<b>Other comprehensive income</b>					
Actuarial (losses)/ gains in respect of pension scheme	22		(82,000)		(51,000)
<b>Total comprehensive income</b>			<b>199,127</b>		<b>269,081</b>

The results for the year relate wholly to continuing activities.

The financial statements were approved by the Management Committee, authorised for issue and signed on its behalf on 12th September 2024.

..... M Caldwell  
Chairperson

..... G Bell  
Committee Member

..... H Holland  
Secretary

The notes on pages 14 to 29 form part of these financial statements.

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**STATEMENT of FINANCIAL POSITION**

**As at 31 March 2024**

	Notes	£	2024 £	£	2023 £
<b>Non-current asset</b>					
Housing properties – depreciated cost	11(a)		11,781,307		11,989,496
Other tangible fixed assets	11(b)		54,928		57,311
			-----		-----
			11,836,235		12,046,807
<b>Current assets</b>					
Debtor	13	314,191		58,422	
Cash at bank and in hand		970,697		931,758	
			-----		-----
		1,284,888		990,180	
<b>Creditors:</b> amounts falling due within one year	14	(299,728)		(252,931)	
			-----		-----
<b>Net current assets</b>			985,160		737,249
<b>Creditors:</b> amounts falling due after more than one year:					
Housing property loans	15		(1,719,986)		(1,831,894)
<b>Provision for liabilities</b>					
Pension – defined benefit liability	22		(125,166)		(41,166)
<b>Deferred income</b>					
Social Housing Grants	17		(8,098,397)		(8,232,281)
			-----		-----
			2,877,846		2,678,715
			=====		=====
<b>Equity</b>					
Share capital	18		70		66
Revenue reserve	18		2,877,776		2,678,649
			-----		-----
			2,877,846		2,678,715
			=====		=====

The financial statements were approved by the Management Committee, authorised for issue and signed on its behalf on 12th September 2024.

..... M Caldwell  
Chairperson

..... G Bell  
Committee Member

..... H Holland  
Secretary

The notes on pages 14 to 29 form part of these financial statements.

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**STATEMENT of CASH FLOWS**

**For the year ended 31 March 2024**

	Notes	2024	2023
		£	£
<b>Net cash inflow from operating Activities</b>	16	236,627	434,054
<b>Investing activities</b>			
Purchase of other fixed assets	(202,863)	(191,828)	
Capital Grant Received	187,439	-	
<b>Net cash outflow from investing activities</b>		(15,424)	(191,828)
<b>Net cash inflow before financing</b>		221,203	242,226
<b>Financing activities</b>			
Issue of ordinary share capital	9	-	
Interest received	19,664	6,619	
Interest paid	(85,335)	(60,919)	
Loan principal repayments	(116,602)	(121,295)	
<b>Net cash outflow from financing</b>		(182,264)	(175,595)
<b>Increase/(Decrease) in cash</b>		38,939	66,631
Opening cash and cash equivalents		931,758	865,127
<b>Closing cash and cash equivalents</b>		970,697	931,758

**Analysis of Changes in Net Debt**

	2023	Cash flows	Non-cash changes	2024
	£	£	£	£
<b>Long-term borrowings</b>	(1,831,894)	-	111,908	(1,719,986)
<b>Short-term borrowings</b>	(121,295)	116,602	(111,908)	(116,601)
<b>Total liabilities</b>	(1,953,189)	116,602	-	(1,836,587)
<b>Cash and cash equivalents</b>	931,758	38,939	-	970,697
<b>Total net debt</b>	(1,021,431)	155,541	-	(865,890)

The notes on pages 14 to 29 form part of these financial statements.

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**STATEMENT of CHANGES in CAPITAL and RESERVES**

**For the year ended 31 March 2024**

	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Total</b>
	£	£	£
Balance as at 1 April 2023	66	2,678,649	2,678,715
Issue of shares	9	-	9
Cancelled shares	(5)	-	(5)
Surplus for year	-	199,127	199,127
	-----	-----	-----
<b>Balance as at 31 March 2024</b>	<b>70</b>	<b>2,877,776</b>	<b>2,877,846</b>
	=====	=====	=====

	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Total</b>
	£	£	£
Balance as at 1 April 2022	70	2,409,568	2,409,638
Issue of shares	-	-	-
Cancelled shares	(4)	-	(4)
Surplus for year	-	269,081	269,081
	-----	-----	-----
<b>Balance as at 31 March 2023</b>	<b>66</b>	<b>2,678,649</b>	<b>2,678,715</b>
	=====	=====	=====

The notes on pages 14 to 29 form part of these financial statements.

# RUCHAZIE HOUSING ASSOCIATION LIMITED

## NOTES to the FINANCIAL STATEMENTS

### For the year ended 31 March 2024

#### 1. Principal Accounting Policies

##### **Legal Status**

The Association is incorporated under the Co-operative and Community Benefits Societies Act 2014 and is registered by the Financial Conduct Authority. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

##### **Basis of Accounting**

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice – Accounting by Registered Social Landlords 2018, and on the historical cost basis. They also comply with the requirements of the Determination of Housing Requirements 2024 as issued by the Scottish Housing Regulator.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see below).

The following principal account policies have been applied:

##### **Going concern**

The Association has a healthy cash and net current asset position and thus the Management Committee are satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus, the Management Committee continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **Revenue**

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

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

##### **Retirement Benefits**

The Association moved to the SHAPS defined contribution scheme on leaving the defined benefit scheme on 1<sup>st</sup> September 2020. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

The Association previously participated in the Scottish Housing Association Defined Benefits Pension Scheme and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

The Association accounts for the pension scheme on a defined benefit basis based on its share of scheme assets and liabilities as determined by the actuary. Defined benefit costs are recognised in the Statement of Comprehensive Income within operating costs. Actuarial gains and losses are recognised in Other Comprehensive Income.

Historically the scheme was accounted for as a defined contribution scheme as there was insufficient information for each social landlord's share of SHAPS to allow for defined benefit accounting. The liability previously recognised for the present value of the social landlord's deficit funding agreement has been derecognised. The difference between the deficit funding agreement liability social landlords historically recognised for SHAPS, and the net DB deficit for SHAPS, has been recognised in other comprehensive income (OCI).



## RUCHAZIE HOUSING ASSOCIATION LIMITED

### NOTES to the FINANCIAL STATEMENTS

#### For the year ended 31 March 2024

#### 1. Principal Accounting Policies (continued)

Further details of the scheme and its assumptions are included at note 22.

##### **Valuation of Housing Properties**

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

Where properties are purchased in a used state, the useful lives of components are assessed individually and the basis might differ to those listed below.

<b>Component</b>	<b>Useful Economic Life</b>
Central Heating	15 years straight line
Kitchens	18 years straight line
Door Entry Systems & Renewables	20 years straight line
Bathrooms, Windows, Radiators, Rewiring & Rainwater Goods	30 years straight line
Doors (internal and external)	30-45 years straight line
External Render, Roof Coverings & Structure	50 years straight line

##### **Depreciation and Impairment of Other Non-Current Assets**

A non-current asset is an asset which costs £1,000 including VAT or more to purchase, with a useful life of more than one year; or assets of a lesser value may be capitalised if they form part of a group, with a group value in excess of £1,000 including VAT with an individual value greater than £100.

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

Office Premises	3.5% straight line (prior years: 10% reducing balance)
Office Premises – Other fittings	7% straight line
Office Furniture and Equipment	33% straight line

A full year's depreciation is charged in the year of purchase. No charge is made in the year of disposal. The carrying value of non-current assets is reviewed for impairment at the end of each reporting year.

##### **Commercial Properties**

The commercial properties are carried at fair value determined by external valuers and derived from the current market rents and commercial property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

##### **Social Housing Grant and Other Grants in Advance/Arrears**

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

Social Housing Grant attributed to individual components is written off to the Income and Expenditure Account when these components are replaced.

## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

### **NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2024**

#### **1. Principal Accounting Policies (continued)**

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account in the same year as the expenditure to which it relates.

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

#### **Estimation Uncertainty**

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

##### **Rent Arrears – Bad Debt Provision**

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

##### **Life Cycle of Components**

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

##### **Useful Lives of Other Fixed Assets**

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

##### **Pension Liabilities**

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.

#### **Leases/Leased Assets**

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

#### **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.

#### **Development Interest**

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

#### **Financial Instruments - Basic**

The Association only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like rents, accounts receivable and payable, loans from banks and related parties.

These are recognised 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.

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2024**

**2. Particulars of Revenue, Cost of Sales, Operating Costs and Operating Surplus**

	Note	2024		2023			
Revenue £		Operating costs £	Operating surplus/ (deficit) £	Revenue £	Operating costs £	Operating surplus/ (deficit) £	
Social letting activities	3	1,337,782	(995,153)	342,629	1,261,063	(886,909)	374,154
Other activities	4	100,772	(94,603)	6,169	93,667	(92,440)	1,227
<b>Total</b>		<b>1,438,554</b>	<b>(1,089,756)</b>	<b>348,798</b>	<b>1,354,730</b>	<b>(979,349)</b>	<b>375,381</b>

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2024**

**3. Particulars of Income and Expenditure from Social Lettings**

	<b>General Needs Housing 2024 Total £</b>	<b>General Needs Housing 2023 Total £</b>
<b>Revenue from lettings</b>		
Rent receivable net of identifiable service charges	1,017,993	952,282
Service charges receivable	2,432	2,196
	-----	-----
<b>Gross rents receivable</b>	<b>1,020,425</b>	<b>954,478</b>
Less: Rent losses/write backs from voids	(3,966)	(1,473)
	-----	-----
<b>Net rents receivable</b>	<b>1,016,459</b>	<b>953,005</b>
Amortisation of Social Housing and Other Grants	321,323	308,058
	-----	-----
<b>Total income from social letting</b>	<b>1,337,782</b>	<b>1,261,063</b>
	-----	-----
<b>Expenditure on social letting activities</b>		
Management and maintenance administration costs	359,131	296,988
Planned and cyclical maintenance including major repairs	113,872	104,112
Reactive maintenance	108,173	86,021
Service charge costs	2,432	2,196
Community engagement costs	1,335	1,312
Bad debts – rents and services charges	1,627	3,137
Depreciation of social housing	408,583	393,143
	-----	-----
<b>Operating costs of social housing</b>	<b>995,153</b>	<b>886,909</b>
	-----	-----
<b>Operating surplus on social letting activities</b>	<b>342,629</b>	<b>374,154</b>
	=====	=====

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2024**

**4. Particulars of Income and Expenditure from Other Activities**

	Grants from Scottish Ministers £	Other Revenue grants £	Supporting People income £	Other income £	Total turnover £	Operating costs - bad debts £	Operating costs - other £	Operating surplus/ (deficit) 2024 £	Operating surplus (deficit) 2023 £
Wider Role	-	10,500	-	-	10,500	-	(10,500)	-	-
Stage 3 applications	-	30,649	-	-	30,649	-	(27,943)	2,706	677
Recharges	-	-	-	2,442	2,442	(200)	(2,442)	(200)	(891)
Factoring	-	-	-	470	470	-	(357)	113	113
Support activities	-	53,161	-	-	53,161	-	(53,161)	-	(372)
Other income/(expenditure)	-	3,268	-	282	3,550	-	-	3,550	1,700
<b>Total from other activities</b>	<b>-</b>	<b>97,578</b>	<b>-</b>	<b>3,194</b>	<b>100,772</b>	<b>(200)</b>	<b>(94,403)</b>	<b>6,169</b>	<b>1,227</b>
<b>Total from other activities for 2023</b>	<b>-</b>	<b>81,890</b>	<b>4,815</b>	<b>6,962</b>	<b>93,667</b>	<b>(891)</b>	<b>(91,549)</b>	<b>1,227</b>	

# RUCHAZIE HOUSING ASSOCIATION LIMITED

## NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 5. Committee Member and Officers Emoluments

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. The Association considers key management personnel to be members of the Management Committee and the Director. No emoluments were paid to any member of the management committee during the year (2023: £nil).

	2024 £	2023 £
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	-	-
Total emoluments paid to key management personnel	38,505	37,035
Employer NI in respect of key management personnel	4,058	4,056
Pension contributions in respect of key management personnel	13,951	13,306
Total emoluments paid to key management personnel	=====	=====

Total number of officers including the highest paid officer, who received Emoluments (excluding pension contributions) over £60,000 is Nil.

No payments (2023: £nil) were made to management committee members during the year for reimbursement of expenses.

### 6. Employee Information

	2024 £	2023 £
Staff costs during the year:		
Wages and salaries	172,215	139,811
Social Security costs	11,462	8,889
Pension costs	34,918	32,108
	=====	=====
	218,595	180,808

During the year, past service deficit contributions of £nil (2023: £28,254) were paid. Pension scheme management costs of £1,593 (2023: £1,773) and defined contribution life assurance premiums of £735 (2023: £640) are included in pension costs above.

	No.	No.
The average number of full-time equivalent persons employed during the year was	4.7	4
	=====	=====

### 7. Interest payable and similar charges

	2024 £	2023 £
Bank loans and overdrafts	85,335	60,919
	=====	=====

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2024**

<b>8. Operating Surplus for the year</b>	<b>2024</b>	<b>2023</b>
	£	£
Surplus is stated after charging:		
Depreciation of tangible owned fixed assets	413,435	398,518
Auditor's remuneration – audit services (exc VAT)	10,175	9,475
Internal Auditor's fees (exc VAT)	2,650	3,805
Operating lease rentals – Other	1,440	888
(Gain)/Loss on disposal of fixed assets	-	(3,324)
Amortisation of capital grants	(321,323)	(308,058)
	=====	=====

**9. Tax on Surplus on Ordinary Activities**

The Association is a Registered Scottish Charity and is exempt from Corporation Tax on its charitable activities.

<b>10. Other Finance Income/Charges</b>	<b>2024</b>	<b>202,3</b>
	£	£
Defined benefit pension interest expense	2,000	1,000
	=====	=====

**11. Non-current assets**

**(a) Housing properties**

<b>Cost</b>	<b>Housing Properties Held for Letting</b>
	£
At start of year	19,495,651
Additions	200,394
Disposals	(4,636)
At end of year	19,691,409
<b>Depreciation</b>	
At start of year	7,506,155
Charged during year	408,583
Eliminated on disposal	(4,636)
At end of year	7,910,102
<b>Net book value</b>	
At end of year	11,781,307
At start of year	11,989,496
	=====

Additions to housing properties includes capitalised component replacement costs to existing properties of £5,955 (2023: £177,336) and the acquisition of a property under Glasgow City Council's Strategic Acquisition of Private Sector Properties scheme at a cost of £194,439. The acquired property was built in 2007 and the associated depreciation charge for the year is based on the remaining useful life of the property components.

All land and housing properties are heritable.

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2024**

<b>11. Non-current assets</b>	<b>Commercial Properties</b>	<b>Office Premises</b>	<b>Office Furniture &amp; Equipment</b>	<b>Total</b>
	£	£	£	£
<b>(b) Other tangible assets</b>				
<b>Cost</b>				
At start of year	34,000	49,025	39,713	122,738
Additions	-	2,469	-	2,469
Disposals	-	-	-	-
	-----	-----	-----	-----
At end of year	34,000	51,494	39,713	125,207
	-----	-----	-----	-----
<b>Depreciation</b>				
At start of year	-	33,810	31,617	65,427
Charged during year	-	803	4,049	4,852
Disposals	-	-	-	-
	-----	-----	-----	-----
At end of year	-	34,613	35,666	70,279
	-----	-----	-----	-----
<b>Net book value</b>				
At end of year	34,000	16,881	4,047	54,928
	=====	=====	=====	=====
At start of year	34,000	15,215	8,096	57,311
	=====	=====	=====	=====

The commercial property (1 shop unit) was revalued by DVS Property Specialists arm of the Valuation Office Agency (VOA) at 10<sup>th</sup> March 2020 on a market basis. The Management Committee consider this to be the fair value at 31<sup>st</sup> March 2024.

<b>12. Commitments Under Operating Leases</b>	<b>2024</b>	<b>2023</b>
	£	£
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:		
Not later than one year	1,074	1,260
Later than one year and not later than five years	2,891	3,965
	-----	-----
	3,965	5,225
	=====	=====

<b>13. Debtors</b>	<b>2024</b>	<b>2023</b>
	£	£
Arrears of rent and service charges	37,178	36,156
<u>Less: Provision for doubtful debts</u>	(17,937)	(18,735)
	-----	-----
	19,241	17,421
Other Receivable	14,946	16,920
Prepayments and accrued income	280,004	24,081
	-----	-----
	314,191	58,422
	=====	=====



**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2024**

<b>14. Creditors: amounts falling due within one year</b>	<b>2024</b>	<b>2023</b>
	£	£
Bank loans and overdrafts	116,601	121,295
Trade payable	18,742	15,477
Rent in advance	50,940	53,024
Other taxation and Social Security	3,636	3,089
Other payables	4,898	444
Accruals and deferred income	104,911	59,602
	-----	-----
	299,728	252,931
	=====	=====

<b>15. Creditors: amounts falling due after one year</b>	<b>2024</b>	<b>2023</b>
	£	£
Housing loans	1,719,986	1,831,894
	=====	=====

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

Loans are secured, by specific charges on the Association's housing properties. The net book value of housing properties secured at the year-end was £7,121,099 (2023: £7,348,794). Loans outstanding to the Nationwide Building Society are repayable at variable rate interest of SONIA+0.45% loan margin. Loans outstanding to the Royal Bank of Scotland are repayable at variable rate interest of SONIA +1.5% loan margin and a fixed rate 0.2775% +1.5% loan margin.

These loans are due for repayment in instalments as detailed below.

	<b>2024</b>	<b>2023</b>
	£	£
Amounts due within one year	116,601	121,295
Amounts due in one year or more but less than two years	643,602	121,295
Amounts due in two years or more but less than five years	247,804	822,887
Amounts due in more than five years	828,580	887,712
	-----	-----
	1,836,587	1,953,189
Less: amounts shown in current liabilities	116,601	121,295
	-----	-----
	1,719,986	1,831,894
	=====	=====

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2024**

<b>16. Statement of Cash Flows</b>	<b>2024</b>	<b>2023</b>
	£	£
Reconciliation of operating surplus to balance as at 31 March 2024		
Operating surplus	348,798	375,381
Depreciation	413,435	398,518
Amortisation of Capital Grants	(321,323)	(308,058)
(Gain)/Loss on assets scrapped	-	(3,324)
Change in debtors	(255,769)	(13,763)
Change in creditors	51,491	13,558
Movement in pension liability	-	(28,254)
Cancelled shares	(5)	(4)
	-----	-----
Balance as at 31 March 2024	236,627	434,054
	=====	=====

<b>17. Deferred Income</b>	<b>2024</b>	<b>2023</b>
	£	£
<b>Social Housing Grants</b>		
Balance as at 1 April 2023	8,232,281	8,546,251
Grants received in year	187,439	-
Released as the result of property disposal	-	(5,912)
Amortisation in year	(321,323)	(308,058)
	-----	-----
<b>Balance as at 31 March 2024</b>	<b>8,098,397</b>	<b>8,232,281</b>
	=====	=====
<b>Total deferred grants</b>	<b>8,098,397</b>	<b>8,232,281</b>
	=====	=====

Grants received in the year are in relation to the acquisition of a property under the Glasgow City Council's Strategic Acquisition of Private Sector Properties scheme. The acquired property was built in 2007 and the associated amortised grant for the year, is based on the remaining useful life of the property components.

This is expected to be released to the Statement of Comprehensive income as follows:

Amounts due within one year	312,936	306,464
Amounts due in one year or more	7,785,461	7,925,817
	-----	-----
	<b>8,098,397</b>	<b>8,232,281</b>
	=====	=====

# RUCHAZIE HOUSING ASSOCIATION LIMITED

## NOTES to the FINANCIAL STATEMENTS

### For the year ended 31 March 2024

<b>18. Reserves</b>	<b>2024</b>	<b>2023</b>
	£	£
<b>Share capital</b>		
<u>Shares of £1 issued and fully paid</u>		
At 1 April 2023	66	70
Issued in year	9	-
Cancelled in year	(5)	(4)
	-----	-----
At 31 March 2024	70	66
	=====	=====

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends 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.

<b>Reserves</b>	<b>2024</b>	<b>2023</b>
	£	£
At 1 April 2023	2,678,649	2,409,568
Surplus for year	199,127	269,081
	-----	-----
At 31 March 2024	2,877,776	2,678,649
	=====	=====

<b>19. Housing Stock</b>	<b>2024</b>	<b>2023</b>
	£	£
The number of units of accommodation in management at the year-end was:		
General needs – new build	202	201
General needs – improved	24	24
General needs – commercial	1	1
	-----	-----
	227	226
	=====	=====

### **20. Related Party Transactions**

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102. The related party relationships of the members of the Management Committee are summarised as:

- Members are tenants of the Association
- Members are factored owners
- Management Committee members cannot use their position to their advantage. 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 were as follows:

- Rent received from tenants on the Committee - £13,809 (2023: £12,858).
- At the year-end total rent arrears owed by the tenant members of the Committee were £nil (2023: £498).
- Grant funded fuel support payments totalling £440 (2023: £800), were distributed to tenant members of the Committee.

## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

### **NOTES to the FINANCIAL STATEMENTS**

#### **For the year ended 31 March 2024**

#### **21. Details of Association**

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

The Association's principal place of business is 24 Avondale Street, Ruchazie, Glasgow G33 3QS.

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

#### **22. Retirement Benefit Obligations**

The Association 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 on 1st September 2020 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 pension schemes in the UK.

The last triennial valuation of the Scheme for funding purposes was carried out as at 30 September 2021 and although the valuation revealed a deficit of £27m, there is no further requirement for a recovery plan to eliminate the deficit.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it has not been possible for the Association to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Association had accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme.

For accounting purposes, two actuarial valuations for the Scheme were carried out with effective dates of 1 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus at the accounting period start and end dates.

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2024**

**22. Retirement Benefit Obligations (continued)**

	<b>2024</b>	<b>2023</b>
	£	£
As at 1 April 2023	41,166	17,420
Net interest expense	2,000	1,000
Expenses	1,593	1,776
Contributions by employer	(1,593)	(30,030)
Impact of change in assumptions	82,000	51,000
	-----	-----
As at 31 March 2024	125,166	41,166
	=====	=====

The Association has past service deficit commitments to pay £nil (2024: £nil) during the year ended 31 March 2025.

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

	<b>2024</b>	<b>2023</b>
	£'000s	£'000s
Fair value of plan assets	927	1,002
Present value of defined benefit obligation	(1,052)	(1,043)
Surplus/(deficit) in plan	(125)	(41)
Defined benefit asset/(liability) to be recognised	(125)	(41)
	=====	=====

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

	<b>Period</b>
	<b>ended 31</b>
	<b>March 2024</b>
	£'000s
Defined benefit obligation at start of period	1,043
Expenses	2
Interest expense	50
Actuarial losses/(gains) due to scheme experience	12
Actuarial losses/(gains) due to changes in demographic assumptions	(7)
Actuarial losses/(gains) due to changes in financial assumptions	(9)
Benefits paid and expenses	(39)
Defined benefit obligation at end of period	1,052
	=====

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2024**

**22. Retirement Benefit Obligations (continued)**

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

	<b>Period ended 31 March 2024 £'000s</b>
Fair value of plan assets at start of period	1,002
Interest income	48
Experience on plan assets (excluding amounts included in interest income) - gain/(loss)	(86)
Contributions by the employer	2
Benefits paid and expenses	(39)
Fair value of plan assets at end of period	927
	=====

**Defined benefit costs recognised in statement of comprehensive income (SOCl)**

	<b>Period ended 31 March 2024 £'000s</b>
Expenses	2
Net Interest expense	2
Defined benefit costs recognised in statement of comprehensive income (SoCl)	4
	=====

**Defined benefit costs recognised in other comprehensive income**

	<b>Period ended 31 March 2024 £'000s</b>
Experience on plan assets (excluding amounts included in net interest costs) – gain/(loss)	(86)
Experience gains and losses arising on the plan liabilities – gain/(loss)	(12)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	7
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations – gain/(loss)	9
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain/(loss)	(82)
Total amount recognises in other comprehensive income – gain/(loss)	(82)
	=====

## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

### **NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2024**

#### **22. Retirement Benefit Obligations (continued)**

##### **Review of historic scheme benefit changes**

In May 2021 the Scheme Trustee (TPT Retirement Solutions) notified employers of a review of historic scheme benefit changes, and this review has raised legal questions regarding whether and when some historic benefit changes should take effect, the outcome of which could give rise to an increase in liabilities for some employers. The Scheme Trustee has determined that it is prudent to seek clarification from the Court on these items. The court hearing is set for February 2025 with a judgement anticipated around June 2025.

On 4 May 2022 the Scheme Trustee issued an update to employers which included an estimate of the potential total additional liabilities at total scheme level, on a Technical Provisions basis. However, until Court directions are received, it is not possible to calculate the impact of this issue on an individual employer basis with any accuracy. As a result of this no allowance will be made for this within the accounting disclosures included in this note.