

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Registered Housing Association No. HCB 187

Financial Conduct Authority No. 1865R(S)

Charity No. SC 030635

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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Registration Particulars:

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered Number 1865R(S)
Scottish Housing Regulator	Housing (Scotland) Act 2014 Registered Number HCB 187
Scottish Charities	Charities and Trustee Investment (Scotland) Act 2005 Scottish Charity Number SC 030635

Auditors

Wbg (Audit) Limited
168 Bath Street
Glasgow
G2 4TP

Solicitors

T C Young
7 West George Street
Glasgow
G2 1BA

Bankers

Virgin Money
2-4 Royal Exchange Square
Glasgow
G1 3AB

Funders

Nationwide Building Society	THFC	GBSH	Energy Savings Trust
Kings Park Road	3rd Floor	Future Business Centre	6 th Floor
Moulton Park	17 St Swithins Lane	Kings Hedges Road	30 North Colonnade
Northampton	London	Cambridge	London
NN3 6NW	EC4N 8AL	CB24 2HY	E14 5GP

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD AND STRATEGIC REPORT

31 MARCH 2025

The Board presents their report and audited financial statements for the year ended 31 March 2025.

Principal activity

The principal activity of the Association is the provision of housing for let at rents affordable to the client group for whom it intends to provide.

The Association is registered with the Financial Conduct Authority as a Community Benefit Society, The Office of the Scottish Charities Regulator (OSCR) as a charity and the Scottish Housing Regulator as a Registered Social Landlord. The Association is primarily regulated by the Scottish Housing Regulator.

STRATEGIC REPORT

Our Strategic Aims

The Association has within its Strategic Aims:

- Dedication to offering housing solutions and routes into social inclusion by building, managing, and maintaining a range of affordable housing, and providing support for varying needs,
- Contributing to community sustainability and regeneration, through innovation and relationships built on trust with our customers and partners,
- Ensure we are an employer of choice, and that we deliver quality service and standards throughout our activities including customer involvement,
- Ensure that the Association is financially and operationally viable; and
- Respect for diversity, and ensuring accountability, openness, integrity, and compliance in the governance of our activities.

Our vision is a community where people can flourish and prosper. Our mission is to provide quality homes and on-going community regeneration and empowerment. Our values are that:

- We are a quality organisation delivering excellence
- We act with integrity
- We are friendly and treat people with respect
- We are customer focused and put the customer first
- We are trusted and trusting
- We are accountable

To help achieve this, we want to help to drive innovation and quality in accessible housing and support in Scotland. Some of the main objectives which we think can help achieve this include:

- demonstrating innovation in housing design and helping to raise standards generally
- achieving continuous improvement in all the services we deliver, and achieving and maintaining high standards of business efficiency and effectiveness
- creating opportunities for significant levels of user involvement in what we do
- being recognised by regulators and strategic partners as delivering excellent performance

We see these as significant objectives, which challenge the way we deliver our core services of housing, housing support, advice, and consultancy. We seek to challenge what we currently do and look to improve, rather than simply carry on with existing patterns of work.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD AND STRATEGIC REPORT

31 MARCH 2025

(Continued)

Corporate Governance

The Association has a Board who are elected by the members of the Association (as listed on page 11). It is the responsibility of the Board to undertake the strategy, setting of policy and overall direction for the Association. They also monitor the operational activities of the Association. The members of the Board are unpaid.

The Executive Team of the Association (as listed on page 11) are responsible for achieving the strategy set and undertaking the operational activities in line with the policies set

Our governing body is our Board, which is responsible to the wider membership. Board members serve in a voluntary capacity, and we recognise that this puts even more onus on us to ensure that we set and achieve high standards of professionalism in our work. We take governance very seriously, and in the last year we continued to build on work from previous years which strengthened our governance arrangements.

Achievements and performance

Since its formation in 1976 to save a block of condemned tenements in Springburn from demolition, the Association has evolved to become a major economic player in the north of the city. Serving the Springburn and Possilpark areas of Glasgow, the Association is now responsible for the management of over 5,400 homes. The success of the business has been based on two key factors, planned growth and continuous improvement. This has been another eventful year for the Association during which progress has been made on many fronts.

The Association believes that we will only make our communities better by working in partnership with others. As we also believe in improving the whole community and not just the housing in it, we are very active in wider action work as can be seen throughout this report. We are continually looking at new initiatives to improve our communities. We have a strong staff and Board, and we look forward to continuing to work with them and all our customers' to ensure that we carry on improving as an organisation. If you have access to the internet, we encourage you to look at our website www.nghomes.net, which is regularly updated with Association news.

Above all people remain at the heart of what we do – our tenants and customers, our staff, and our board. We have listened to tenants and customers views during rent consultations, tenant conferences and our tenant scrutiny panel as well as during our daily contact with the people who live in our properties.

Our financial position is strong, and we will continue to ensure that robust financial planning underpins all our decision-making. Especially regarding new build proposals and investments. This is complemented by our asset management strategy which has been reshaped for the future using intelligence from our stock condition survey of all our stock.

We are continuously striving to improve our performance and provide the best possible customer service. If you have any comments on our work, please contact our offices or email: info@nghomes.net

This report details issues that have arisen during the year relating to the activities undertaken by the Association.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD AND STRATEGIC REPORT

31 MARCH 2025

(Continued)

Chairperson's comments

This is an opportunity to review the performance during the year and to take stock of the progress we have made and identify the challenges that lie ahead.

The Association has faced unprecedented challenges over the last few years – from the Covid-19 pandemic to the cost-of-living crisis and global conflicts. Challenges that still impact everyday life. At ng homes the importance of people and community remains as strong as ever.

At ng homes, our commitment to customer service excellence and promoting the importance of people is resolute. We continue to champion equality and diversity, ensuring our communities are places where people are treated fairly, with opportunities to realise their full potential. We are delighted that the Association successfully retained our Customer Service Excellence (CSE) accreditation. Our most recent assessment was extremely positive with excellent feedback – a testimony to the dedication of all involved.

Investment in our homes remains a key priority. Dampness and mould are a health and safety issue as important as ensuring the gas and electrical elements in our homes are safe and secure. Upgrades to our multi-storey flats are helping improve energy efficiency, reduce fuel bills, and ensure fire safety. Alongside all of this, we will maintain our focus on good governance and robust financial and risk management - more important than ever in these uncertain times.

I want to recognise the efforts and commitment of our Board, staff, and volunteers. Their contributions are invaluable, ensuring we can continue to deliver projects and key initiatives serving North Glasgow and our communities.

It is impossible to definitively predict what lies ahead for the organisation. There will be challenges along the way whilst we work tirelessly to improve and develop North Glasgow, however what is sure is that the Association remains committed to giving our tenants a voice in creating the future. We continue to champion North Glasgow as a vibrant place with talented people and we look forward to working together with you to create a community where people can flourish and prosper.

Catherine Rossine
ng homes Chair

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD AND STRATEGIC REPORT

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(Continued)

Investment Activities

Development and maintenance review

The Association's development and planned maintenance programme has continued to deliver for tenants and communities in the north of the city. This year the Association spent £4.0m (2024 -£4.7m) on acquisition of houses and capitalised investment in upgrading properties. In addition, a further £6.0m (2024 - £13.1m) was spent on planned and cyclical maintenance programmes.

The Association is committed to ensuring all its homes are maintained to a good standard and as such operates a rolling programme to improve properties through, for example, the installation of central heating and kitchens in tenants' homes. Major investment included programmes of work in smoke door replacement, boiler upgrades, kitchen bathroom and rewire programmes, door entry and environmental upgrades across the stock.

We continued a project funded by the Scottish Government to bring back into use a significant number of properties for use by displaced persons. This has benefited the area by a new community being created.

There was one open market purchase in the year.

Best use of resources

We have continued with the programme of major investment in our housing stock, which is by far our most asset. This includes both carrying out major repairs and considering whether any of our housing should be remodelled to meet the changing requirements of tenants in the future. We are updating our stock condition information through specific asset management models for each area of our stock to ensure that our long-term financial planning reflects our future investment requirements. We continue to look for efficiencies and economies in the way that we carry out business processes.

Housing review

Rent collection, allocations, and voids

The overall rent collection rate was 98.79% (2024 – 98.73%). Gross rent arrears were 5.1% compared to 5.1% in the previous year. Housing services teams are working together with our welfare rights advisers (GEMAP) to aim to reduce the total arrears and ensure our tenants are in receipt of the maximum benefits due.

The number of evictions remained steady with seven in 2023/24 and seven in the current year.

With welfare changes and delays in benefit administration, it is a challenging environment in which to keep arrears low. Future welfare changes and the difficult economic environment add to the problems in the area. To assist our tenants with these changes we have increased the availability of GEMAP welfare rights advisers.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

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The Association let 506 (2024 - 409) properties during the year. We continue to allocate relets and new lets as quickly as possible, to ensure that we maximise our effectiveness in housing people in need and minimise our costs. The average time taken to re-let or let a new property was 26.4 days (2024 - 26.3 days). The problems we have had with energy suppliers to get debt reset on gas and electric meter is having an effect on our ability to complete void works as we are unable to let a property without carrying out gas and electrical safety checks.

The rent loss due to empty properties was £349k (2024 - £304k).

During the year the Association allocated 208 lets (2024 - 164 lets) to Section 5 homelessness referrals, representing 41.1% (2024 - 40%) of the lets made in the year. In addition to the homeless there is still significant unmet demand with 6,397 (2024 - 5,509) on the waiting list with 1,364 (2024 - 1,109) new applications added in the year.

Customer Services

The Association is committed to a high standard of customer service in all its activities. The principal point of contact for customer enquiries is with the housing management and maintenance staff. The quality and customer satisfaction of these services is closely monitored, and steps are taken to improve them further on an ongoing basis.

Accreditation

The Association continues to enjoy the benefits of both Investors in People and Customer Service Excellence accreditation. The Association is recognised at Gold level for both Investors in People and Investors in Young People and holds, the Investors in People Health and Wellbeing Award and the Customer Service Excellence Standard.

There is a clear connection between these awards which recognise the Association's commitment to developing and supporting our staff to gain the skills, knowledge, and experience to be able to provide an excellent level of service to its tenants and customers.

The Association has been accredited as an IIP organisation since 2002 and has been recognised with Gold status and the Health & Wellbeing award since 2014, the most recent reaccreditation was achieved in February 2021 and is valid for 3 years. The Customer Service Excellence (CSE) Standard replaced the Charter Mark Award, and the Association has been recognised with the CSE Standard since its inception in 2008.

The Association is recognised as a Disability Confident Employer having attained this accreditation in 2019. This award was introduced by DWP to replace the Two Ticks Disability Positive Action scheme award which ng homes held previously. The Disability Confident Employer award recognises the Association's commitment to ensuring that people with disabilities and long-term health conditions are provided with equal opportunities to obtain employment and that they feel supported, engaged, and able to fulfil their potential in the workplace.

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REPORT OF THE BOARD AND STRATEGIC REPORT

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Tenant Consultation/Communications

Tenant consultation is vital to the continued success of the Association. The Association's desire to ensure that we communicate effectively with as many tenants as possible has resulted in the Association producing information in a variety of formats including quarterly newspaper, patch newsletters, the website, social media and on plasma screens in reception areas. Regular customer surveys on service performance were also carried out. We have continued to encourage tenants to get involved in the formulation of our policies and procedures through consultations. Examples of this are the use of focus groups to discuss and prioritise issues and action areas of concern.

Diversity

The Association is firmly committed to providing flexible services to our increasingly diverse society. Equality and fairness underpin our whole business philosophy. We take a positive approach to promoting our services to all communities. The Association has in place resources through interpreters and the Happy to Translate multi language resource to aid communication to all our tenants.

Other areas

Other areas of note within housing management during the year included:

- Continuation of the Welfare Reform Action Plan, including tenant surveys.
- Work continued upgrading the IT systems within housing management and ensuring that the systems were used more efficiently and effectively.

Health and Social Care Integration

Health and social care integration and related proposals to switch care from acute hospital services to support in the community. A significant proportion of our tenants are elderly, and ng homes, if properly resourced, can make a positive contribution to delivering the Government's integration aims in Glasgow.eg in our multi storey flats where we have a 24/7 Concierge service.

Welfare Reform

We monitor UK/Scottish Government Policy on this key issue. The Association will take action to mitigate impacts on tenants and our business. We have already experienced the complexities of Universal Credit and the direct payments of Housing Benefit to tenants. We currently have over one thousand tenants in receipt of Universal Credit. We are assessing the situation closely, along with potential implications in changes to other welfare benefits. With full-service implementation this is expected to have a continuing effect on rent collection and arrears in the longer term.

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(Continued)

Regeneration Activities

Partnerships with other agencies

Effective partnerships with agencies, which provide a range of services and support to tenants were developed. These agencies include among others the Scottish Government, The Big Lottery Fund, Glasgow Life, and Glasgow City Council.

Community Regeneration

The Association has continued to impact on the wider regeneration of the north of the city through a variety of different projects. With the effects of the pandemic not all projects could function. There was however a substantial level of activities to support communities and provide food and other assistance.

- The Association set up in 2010 a social economy company NG 2 Limited to encourage local employment and training opportunities. This has resulted in direct employment within the company of over eighty staff all of whom are paid at the Glasgow Living wage and above. The company now carries out among other activities close cleaning, bulk uplift, close maintenance, void painting and joinery work, and general environmental improvement activities. A significant number of trainees have progressed on to continuing employment.
- The Active Early Years health and wellbeing programme is a project that supported and complemented Physical Education in three nurseries and seven primary schools in North Glasgow. The project encouraged more children to get active including increasing and improving their physical and mental health, confidence, and skills. Through the provision of physical activities, education and training of nursery and primary school teachers and staff, volunteers (parents/carers) and providing supporting resources have supported the sustainability of this project.
- Our sport, health and education programmes continue to work in partnership with many local and national organisations, governing bodies, clubs, and associations. Our approach supported and complemented local and national strategies, existing provision, as well as introducing many innovative programmes.
- A Business Improvement District programme continued in the year for the Saracen Street area.

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(Continued)

Financial Review

The results for the year are shown in the statement of comprehensive income.

Major investment in the year included programmes of work in boiler upgrades, kitchen bathroom and rewire programmes, door entry and environmental upgrades across the stock.

The result for the year was a £460k surplus before pension adjustments. The movements in the valuations of the pension schemes resulted in a £65k charge compared with a £1.12m charge in the previous year. That left a £494k surplus for the year after a £100k gift aid donation from DSGL, compared to a £2.58m deficit in the previous year. The pension changes together with the safety work being done in the stock was the main changes between the years. There is a £7m surplus on the SPF pension scheme which is not recognised as we do not have the power to instruct a transfer of contributions back to the Association.

The effects of the cost of living crisis and supply chain disruption are continuing to affect the Associations finances. The effects of increases in material prices and maintenance costs are affecting the values of contracts. Fewer contractors willing to price for works is affecting tenders and delaying works being done.

The Association is in an acceptable financial position with over £11m deposited as cash funds, at the year end. The Association continues to have a significant major repair investment programme due to our commitments to keep the properties to a good standard and the long-term promises for improvements to the stock. Cash surpluses will continue to be made, subject to our planned maintenance programme over the next few years.

Treasury Management

The Association has an active treasury management function, which operates in accordance with the Treasury Management Policy approved by the Board. In this way the Association manages its borrowing arrangements to ensure that it is always able to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held. The Association, as a matter of policy, does not enter transactions of a speculative nature. At 31 March 2025 the Association has a mix of fixed and variable rate finance which it considers appropriate at this time.

The Association constantly keeps its loan portfolio under review and seeks to manage its loans prudently. The average interest rate on the loans in the year was 3.79% (2024 – 4.04%). Under the terms of the loan agreements, there are several financial and operational covenants that limit the Association's operating and financial flexibility. A failure to comply with any of these covenants could result in default under the agreement and an acceleration of repayment of the debt outstanding. As far as the Board are aware the terms of all covenants were met during the year.

Pensions

The Association has staff in both the Scottish Housing Association Pension Scheme (SHAPS) and Strathclyde Pension Fund (SPF). An active review of both existing pension schemes continued in the year together with consideration of other pension issues such as auto enrolment. The Association closed off entry to the final salary element of the SHAPS scheme back in 2011.

The membership in the SPF scheme arose because of staff that came into the Association as part of the stock transfer in 2011. The membership in the scheme is on a closed basis and only those staff that came across have the right to join the SPF. As a result, active membership is declining as staff leave the Association. An active review of both schemes continues to be undertaken.

The Association has in place pension arrangements that satisfy the requirements under auto enrolment legislation.

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Policies and procedures

Risk Management Policy

The Board have a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Association faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Board have reviewed the adequacy of the Association's current internal controls.

The Board have set policies on internal controls which cover the following:

- Consideration of the type of risks the Association faces.
- The level of risks which they regard as acceptable.
- The likelihood of the risks concerned materialising.
- The Association's ability to reduce the incidence and impact on the business of risks that do materialise; and the costs of operating controls relative to the benefit obtained.
- Clarified the responsibility of management to implement the Board's policies and identify and to evaluate risks for their consideration.
- Communicated that employees have responsibility for internal control as part of their accountability for achieving objectives.
- Embedded the control system so that it becomes part of the culture of the Association.
- Developed systems to respond quickly to evolving risks arising from factors within the Association and to changes in the external environment; and
- Included procedures for reporting failings immediately to appropriate levels of management and the Board together with details of corrective action being undertaken.

General Reserves Policy

The Board members have previously reviewed the reserves of the Association in conjunction with the long-term maintenance plans. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. The review concluded that to allow the Association to be managed efficiently and to provide a buffer for uninterrupted services, reserves equivalent to at least one year's operating costs should be maintained. The Association's revenue reserves currently amount to £21m. The planned maintenance reserves are separate from these totals.

While this is welcome in future years there will be significant expenditure required to upgrade the stock. The Association's maintenance life cycle plan had resulted in the Association running through a period of years where outside of investment in the multi storeys there had been lower planned maintenance expenditure in the other stock. The years ahead will require significant expenditure and further increases in reserves may be delayed. Also, future building of new stock will be done with considerably lower grant levels than in the past. The Association will need to generate higher levels of internal reserves to fund future stock replacement.

Maintenance policies

The Association seeks to maintain its properties to the highest standard. To this end programmes of cyclical repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components. It is expected that the cost of all these repairs would be charged to the Income and Expenditure account.

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In addition, the Association has a long-term programme of major repairs to cover for works which have become necessary since the original development was completed, including works required by subsequent legislative changes. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. The cost of the repairs would be charged to the Income and Expenditure account, unless it was agreed they could be capitalised within the terms outlined in the SORP. The Association applies component accounting and the cost of replacement of major components will be capitalised and any remaining net book value of the original component will be written off to the Income and Expenditure account.

Rental Income

The Association's general Rent Policy is based on the size, type, and facilities of the accommodation. The policy ensures that the rent structure is easy to administer and covers the wide variations of properties. This policy follows the generally accepted practice/principles of the Housing Association Sector. Some elements of the stock are covered by pre-existing agreements. The Association is re-structuring its rents as re-let's arise to bring all properties onto a standard basis.

Employees with disabilities

Applications for employment by people with disabilities are given full and fair consideration for all vacancies in accordance with their aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Association may continue. The Association's policy is that training, career development and promotion opportunities should be available to all employees.

Employee Engagement and Health & Safety

The Association takes seriously its responsibilities to employees and as a policy, provides employees with information on matters of concern to them. It is also the policy of the Association to consult where practical, employees or their representatives so that their views may be considered in making decisions likely to affect their interests. The approach to employee engagement includes a joint management and staff engagement focus/steering group and various employee engagement subgroups.

Staff enjoy the benefits of membership of the Company Health Plan which supports employee health and wellbeing. The Association has an Attendance Management Policy and procedures in place with a strong focus on support. The Association benchmarks staff turnover levels, sickness absence, ethnic mix, gender, and age profile against available statistics on a regular basis. Health and safety have a high profile at the Association, detailed health and safety policies and procedures are in place across the business. All staff and Board members receive regular training on health and safety matters and regular reports on health and safety are provided to the Staffing Sub-Committee.

Equality

The Association takes a positive approach to promoting its services to Black and Minority Ethnic (BME) communities and has employed a succession of trainees through its partnership with PATH (Scotland). The Association has provided a series of work placement opportunities for local young people.

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(Continued)

During 2024/25 55% (2023/24 - 37%) of the Association lets were to households of ethnic minority background and 34% (2023/4 32%) of the waiting list applicants at the year end were of ethnic minority background.

Staff training

The Association provides staff with access to training on courses relevant to their employment. During the year there was a total of 355 days staff training (2024 – 305) which equated to an average of 3.12 days (2024 – 3.1 days) for each member of the core staff.

Board and Executive team

Members of the Board

The Members of the Board of the Association during the year to 31 March 2025 were as follows:

C Rossine (Chairperson)	A Gow
J Berrington (Secretary)	J Kennedy
J Thorburn	J Fernie
G Satti (Vice- Chairperson)	F Malcolm
J MacLeod	M Grimley (resigned 20/9/24)
J Sony (appointed 3/10/24)	S Fernandez (appointed 3/10/24)
A Strehaliuk (appointed 3/10/24)	

Each member of the Board holds one fully paid share of £1 in the Association. The executive officers of the Association hold no interest in the Association's share capital and although not having the legal status of "director" they act as executives within the authority delegated by the Board.

Executive Team – key management personnel

J Devine – Chief Executive Officer
R Hartness – Deputy Chief Executive Officer
T Sweeney – Director of Corporate Services
L Cooper – Director of Housing Services

The remuneration of all staff in the Association is calculated in relation to the salary scales set by Employers in Voluntary Housing.

Recruitment and training of Board members

Vacancies on the Board are filled from members of the community who have a commitment to the furtherance of social housing and the aims and objectives of the Association. Members are drawn from a wide range of backgrounds and experience to maintain the necessary mix of skills required to govern and control a complex organisation.

All Board and Sub-Committee members receive thorough and detailed training on governance and other related matters on a regular basis and they sign-up to the ng homes Board members Code of Conduct annually. Board members have embraced new technology and attended virtual conferences, webinars and remote training sessions on zoom and Microsoft teams as well as in person events.

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(Continued)

The Association complies with the SHR'S regulatory standards of governance and financial management. In addition to governance training, the Board has also benefitted from specialised training and development sessions on other priority issues identified from training needs assessments, Board appraisal and business priorities. Training sessions are held out-with Board meetings and frequently involve external expert facilitators. Annual core training includes sessions on health and safety and equality and diversity and the plan for 2025/26 will include other priorities identified from the 24/25 Board appraisal process.

In addition to ng homes training and awareness sessions, Board members participate in relevant external training and attend external conferences and seminars e.g., events organised by Scottish Federation of Housing Associations (SFHA), Glasgow and West of Scotland Forum (GWSF), Employers in Voluntary Housing (EVH) and SHARE.

Related parties

Various members of the Board and area committees are tenants, sharing owners or Councillors. The tenancies are on the Association's normal tenancy terms, and they could not use their position to their advantage. Sharing owners have lease agreements and these are also on the Housing Associations normal terms. City Councillors who are members of the Board declare their interests relating to relevant decisions taken by the Association or the City Council.

Other issues

Group Structure

The Association has four wholly owned subsidiaries. NG Property (Scotland) Limited whose objective is to provide factoring services and other activities that the Association cannot due to its charitable status. Design Services Glasgow Limited (DSGL) handles the development activities of the Association and acts as its main contractor. This arrangement ensures that the development activities are carried out in the most VAT efficient manner.

ng2 Limited carries out social economy activities. As noted earlier in the report ng2 continues to have a significant impact in providing employment and training. The Association has a dormant subsidiary ng3 Limited.

The Association will continue to review whether the group structure is appropriate.

Future developments

The Association intends to continue with its policy of improving the quality of housing working with its existing and new partners. The Association in conjunction with Glasgow City Council and the Scottish Government has a programme of agreed and proposed regeneration activities. The Association will continue to explore opportunities for the provision of new housing with both public and private sector bodies. Specific projects include:

- Planned maintenance investment of £8.4 million in 2025/26

Throughout all the Association's and its partner's activities we will strive to make North Glasgow a community where people can flourish and prosper.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

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Legislation and branding

Under the Co-operative and Community Benefit Societies Act 2014 the Association is a Community Benefit Society.

The Association will remain formally titled as North Glasgow Housing Association Limited, but a shorter description of NG Homes has been adopted to reflect the range of its activities in most of its communications.

Post Balance Sheet Events

There have been no important events since the financial year end that have had an impact on the financial position of the Association.

Going Concern

The Board has reviewed the results for this year and has also reviewed the projections for the next five years. It, therefore, has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements.

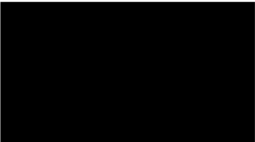
Information for auditors

As far as the Board members are aware there is no relevant audit information of which the auditors are unaware, and the Board members have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to ensure that the auditors are aware of any such information.

Auditors

Wbg (Audit) Limited (formerly Wylie & Bisset (Audit) Limited) has indicated its willingness to continue in office.

On behalf of the Board



Secretary

50 Reidhouse Street
Glasgow
G21 4LS

Date: 29 July 2025

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

STATEMENT OF BOARD RESPONSIBILITIES

The Board is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Under the legislation relating to Co-operative and Community Benefit Societies the Board are required 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 of that period. In preparing those financial statements the Board are required to:

- select suitable accounting policies and apply them consistently.
- observe the methods and principles in the RSL SORP and FRS 102;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is also responsible for:

- keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the RSL and enable them to ensure that the financial statements comply with the the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements – 2019;
- safeguarding the Association's assets; and
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

Board's Statement on Internal Financial Control

The Board acknowledge their ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

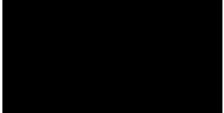
- the reliability of financial information used within the Association or for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets (against unauthorised use or disposition).

It is the Board'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 include ensuring that;

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets.
- experienced and suitably qualified staff take responsibility for important business functions; annual appraisal procedures have been established to maintain standards of performance.
- forecasts and budgets are prepared regularly which allow the Board and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Board members and others.
- the Board reviews reports from management, from the Chief Executive Officer, staff and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association.
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Board have reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2025 and until the below date. No weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditors' report on the financial statements.

On behalf of the Board



Secretary

Date: 29 July 2025

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF NORTH GLASGOW HOUSING ASSOCIATION LIMITED ON INTERNAL FINANCIAL CONTROLS

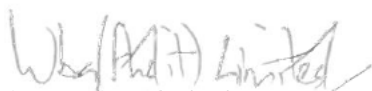
In addition to our audit of the Financial Statements, we have reviewed your statement on page 16 concerning the Association's compliance with the information required by the Regulatory Standards for systemically important RSLs in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory 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 through enquiry of certain members of the Board and Officers of the Association and examination of relevant documents. 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 on Internal Financial Control on page 15 has provided the disclosures required by the relevant Regulatory Standards for systemically important RSLs within the publication "Our Regulatory Framework" and associated Regulatory Advisory 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.



Wbg (Audit) Limited, Statutory Auditor
Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

Date: 29 July 2025

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

Independent auditors' report to the members of North Glasgow Housing Association Limited

Opinion

We have audited the financial statements of North Glasgow Housing Association (the 'Association') for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2025 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 Co-operative and Communities Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019.

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

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

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

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

Other information

The Board of Management 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

Independent auditors' report to the members of North Glasgow Housing Association Limited

(Continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Board of Managements' Report.

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

- The information given in the Report of the Board of Management is inconsistent with the Financial Statements;
- Proper books of accounts 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 requirement of the legislation;
- The financial statements are not in agreement with the books of accounts; or
- We have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.

Responsibilities of the Board of Management

As explained more fully in the Boards' Responsibilities Statement set out on page 15, the Board of Management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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:

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures in response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following:

- *The nature of the association and the industry, control environment and business performance including performance targets; and*
- *Our enquiries of management about their identification and assessment of the risks of irregularities.*

Based on our understanding of the association and the industry we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- *Regulations and legislation pertinent to the company's industry operations including compliance with the Scottish Housing Regulator; and*
- *UK tax legislation.*

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- *Posting inappropriate journal entries; and*
- *Management bias in accounting estimates.*

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

- Independent auditors' report to the members of North Glasgow Housing Association Limited

(Continued)

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following:

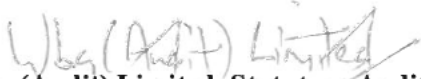
- Gaining an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates including the requirements of the Scottish Housing Regulator;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management and legal advisors concerning actual and potential litigation and claims;
- Reviewing correspondence with HMRC;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments' assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and, evaluating business rationale of any significant transactions that are unusual or outside the normal course of business. The areas covered included, but were not limited to:
 - Fixed Assets
 - Other Creditors
 - Wages and Salaries
 - Prepayments and Deferred Income
 - Trade Debtors

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

This report is made solely to the Association's members, as a body, in accordance with the Co-operative and Communities 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.


Wbg (Audit) Limited, Statutory Auditor
Chartered Accountants
168 Bath Street, Glasgow G2 4TP

Date: 29 July 2025

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025	2024
		£	£
Revenue	2	31,538,542	35,025,784
Operating costs	2	(29,758,157)	(35,288,827)
Operating surplus/(deficit)		1,780,385	(263,043)
Gain on sale of housing stock	4	-	95,080
Interest receivable and other income		359,689	453,113
Interest payable and other charges	5	(1,604,148)	(1,715,940)
Other Finance Charges		(76,020)	(28,061)
Surplus/(deficit) for year		459,906	(1,458,851)
Gift aid		100,000	-
Actuarial (loss)/gain in respect of pension schemes		(65,538)	(1,121,001)
Total Comprehensive Income		494,368	(2,579,852)

All amounts relate to continuing operations. The notes on pages 24 – 48 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board on 29 July 2025 and signed on their behalf by:

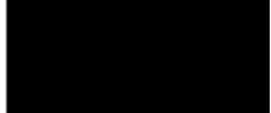
Secretary:



Board member:



Board member:



NORTH GLASGOW HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	£	2025 £	£	2024 £
Tangible Fixed Assets					
Housing properties					
Depreciated cost	8		115,982,083		117,250,330
Other noncurrent assets	10		3,562,825		3,018,051
			119,544,908		120,268,381
Investments – subsidiaries	22		1,300		1,300
			119,546,208		120,269,681
Current Assets					
Stock		39,720		14,516	
Debtors	11	1,957,723		2,401,798	
Cash at hand and in bank		11,773,699		15,594,025	
		13,771,142		18,010,339	
Current Liabilities					
Creditors due within one year	12	(7,214,448)		(9,276,001)	
Net Current Assets			6,556,694		8,734,338
Total Assets less Current Liabilities			126,102,902		129,004,019
Creditors due after more than one year	13		(36,964,516)		(39,637,823)
			89,138,386		89,366,196
Deferred income	16		(13,890,589)		(14,579,760)
Provision for pension liability	26		(1,605,000)		(1,638,000)
			73,642,797		73,148,436
Capital and Reserves					
Share Capital	17		74		81
Revenue Reserves			35,847,605		34,233,314
Revaluation Reserve			37,795,118		38,915,041
			73,642,797		73,148,436

These financial statements were approved and authorised for issue by the Board on 29 July 2025 and signed on their behalf by:

Secretary

Member:

Member:

The notes on pages 24 – 48 form part of these financial statements.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

YEAR TO 31 MARCH 2025

		2025	2024
	Note	£	£
Net cash inflow from operating activities	18	5,582,547	4,846,962
Investing activities			
Cash paid for construction and purchases	(4,036,535)		(4,657,274)
Housing association grant received	350,994		662,168
Housing association grant repaid	-		-
Sales of housing properties	-		137,250
Purchase of other fixed assets	(1,012,989)		(1,939,360)
Net cash inflow/(outflow) from investing activities		(4,698,530)	(5,797,216)
Financing			
Interest received on cash and cash equivalents	359,689		453,113
Interest paid	(1,604,148)		(1,715,940)
Loan principal repayments	(2,489,500)		(2,382,958)
Loans received	-		-
Share capital issued	11		3
Net cash outflow from financing		(3,733,948)	(3,645,782)
Increase/(decrease) in cash		(2,849,931)	(4,596,036)
Opening cash and cash equivalents		14,623,630	19,219,666
Closing cash and cash equivalents		11,773,699	14,623,630
Reconciliation of net cashflow to movement in debt			
Increase/(decrease) in cash in year		(2,849,931)	(4,596,036)
Loan principal repayments		2,489,500	2,382,958
Loans received		-	-
Change in net debt		(360,431)	(2,213,078)
Net debt as at 1 April 2024		(23,812,577)	(21,599,499)
Net debt as at 31 March 2025		(24,173,008)	(23,812,577)

The notes on pages 24 – 48 form part of these financial statements.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2025

	Share Capital	Revenue Reserves	Revaluation Reserve	Total
	£	£	£	£
Balance at 1 April 2024	81	34,233,314	38,915,041	73,148,436
Issue of shares	11	-	-	11
Cancellation of shares	(18)	-	-	(18)
Surplus for year	-	494,368	-	494,368
Transfer between reserves	-	1,119,923	(1,119,923)	-
Balance as at 31 st March 2025	<u>74</u>	<u>35,847,605</u>	<u>37,795,118</u>	<u>73,642,797</u>

The notes on pages 24 – 48 form part of these financial statements.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

1. Accounting Policies

(a) Introduction and accounting basis

The principal accounting policies of the Association are set out in the paragraphs (b) to (r) below. These financial statements were prepared in accordance with Financial Reporting Standard 102 – ‘The Financial Standard applicable in the UK and the Republic of Ireland’ and the Statement of Recommended Practice for Social Housing Providers 2014. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102. The Association is registered under the Co-operative and Community Benefit Societies Act 2014.

(b) Finance

The financial statements have been prepared on the basis that the capital expenditure referred to in note 8 will be grant aided, funded by loans, or met out of reserves, or from proceeds of sales.

(c) Mortgages

Mortgage loans are advanced by private lenders under the terms of the individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments, which have been given approval for Housing Association Grant by Glasgow City Council.

(d) Housing Association Grants

Housing Association Grants (HAG) are made by Glasgow City Council and are utilised to reduce the amount of mortgage loan in respect of an approved scheme to the amount which it is estimated can be serviced by the net annual income of the scheme. The amount of HAG is calculated on the qualifying cost (note 1(f)) of the scheme in accordance with instructions issued from time to time by the grant awarding body. HAG and other grants are repayable under certain circumstances. These include the disposal of the properties to which the grants relate.

(e) Housing Association Grant - Acquisition and Development Allowances receivable

Acquisition and Development Allowances are determined by the grant awarding body and are advanced as grants by Glasgow City Council. They are intended to finance certain internal administrative costs relating to the acquisition and development of housing land and buildings for approved schemes.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

(f) Noncurrent assets - Housing land and buildings (note 8)

Properties included in housing properties are stated at cost. The cost of such properties includes the following:

- (i) Cost of acquiring land and buildings
- (ii) Development expenditure including attributable overheads
- (iii) Interest charged on the loans raised to finance the scheme to date of completion.

Works to existing properties will generally be capitalised under the following circumstances:

- (i) Where a component of the housing property, that has been treated separately for depreciation purposes and depreciated over its useful economic life, is replaced, or restored; or
- (ii) Where the subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed asset in excess of the previously assessed standard performance. Such enhancement can occur if improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property.

Works to existing properties which fail to meet the above criteria are charged to the Income and Expenditure account.

The major components of the Associations housing properties are deemed to be land, structure, kitchens, central heating and boiler systems, bathrooms, and windows. Each component has a substantially different economic life and is depreciated over this individual life. Depreciation rates are shown in note (h).

Shared ownership properties are included in housing properties at cost, less any provisions needed for depreciation or impairment.

The amount of grants received is shown separately on the statement of financial position. Housing Association Grant received in respect of revenue expenditure is credited to the statement of comprehensive income in the same period as the expenditure to which it relates.

Housing Association Grant may become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

Interest on the loan financing the development is capitalised up to the relevant date of completion.

(g) Low Cost Initiatives for First Time buyers (LIFT)

LIFT transactions are grants received from the grant awarding body and passed onto an eligible beneficiary. The grant awarding body has a benefit of a fixed charge on the property. This entitles the grant awarding body to a share of the proceeds on the sale of the property by the beneficiary. These are classified as investments and are carried at historical cost with the linked finance cost (the grant received) being deducted from the gross amount of the asset. As from 1 April 2008 the Scottish Government has taken security over completed sales and North Glasgow no longer includes the grants and related loans to the owner on the balance sheet.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

(h) **Depreciation**

Housing Properties

Housing Properties are stated at cost, less social housing and other public grants and less accumulated depreciation. Housing properties have been split between their land and structure costs and a specific set of major components which require periodic replacement. Depreciation is charged on a straight-line basis over the expected economic useful lives of the properties structure of between 30 years and 50 years. No depreciation is charged on the cost of land. Other components are depreciated as follows:

Kitchens	over 15 years
Central heating system and boilers	over 20 years
Bathroom	over 30 years
Windows	over 30 years

Other noncurrent assets

The Association's assets are written off evenly over their expected useful lives as follows:

Office premises	-	over 25 years
Furniture & equipment	-	over 5 years
Computer hardware	-	over 5 years
Sheltered fixtures & fittings	-	over 8 years

Depreciation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

(i) **Sale of housing properties**

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the financial statements.

(j) **Apportionment of management expenses**

Direct employee administration and operating costs have been apportioned to the statement of comprehensive income on the basis of costs of the staff to the extent that they are directly engaged in each of the operations dealt with in those accounts.

(k) **Value added tax**

The Association is VAT registered and has a Group VAT structure. However, a large proportion of NGHHA's income, namely rents, is exempt for VAT purposes and therefore gives rise to a partial exemption calculation. Expenditure as a result is shown inclusive of VAT.

Turnover

- (l) Turnover represents rental and service charge income receivable from tenants, development administration, properties developed for sale and other income. Income is recognised on an accruals basis and when the Association is entitled to that income.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

(m) Pensions

The Association participates 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.

Up until March 2019 there was insufficient information to split the assets and liabilities between the participating employers. Sufficient information has now been made available and North Glasgow Housing Association now accounts for its participation in the Scheme in accordance with FRS 102 which requires disclosures presented for both the current and comparative period. FRS 102 also requires that quoted securities are valued at their current bid price rather than their mid-market value. Details of this are shown in note 23.

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

The Association, as a result of staff transferring during the GHA stock transfer, is an admitted member of Strathclyde Pension Fund (SPF). The basis of admittance is that of a closed scheme and only transferred employees who already are or wish to join can be a member of this scheme. Retirement benefits to these employees are funded by the contributions from all participating employers and employees in the Fund. Payments are made to the independently administered Fund in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating member employers. As a closed scheme a slightly higher calculated rate is payable by the Association to reflect the limited future membership of the scheme.

North Glasgow Housing Association accounts for its participation in the Fund in accordance with FRS 102 which requires disclosures presented for both the current and comparative period. FRS 102 also requires that quoted securities are valued at their current bid price rather than their mid-market value.

The Fund liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. Glasgow Housing Association's share of the Fund surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the Fund surplus / deficit is split between operating charges, finance items and in the statement of comprehensive income under actuarial gain or loss on pension schemes.

(n) Consolidation

The Association and its subsidiary undertakings comprise a group. The FCA has granted exemption from preparing group financial statements. The financial statements represent the results of the Association and not of the group. The Board is of the opinion that it would be of no real value to the members of the Association to consolidate or include the accounts of the Association's subsidiaries in the group accounts, because the business of the Association and that of the subsidiaries are so different they cannot be treated as a single undertaking.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

(o) Impairment of fixed assets

Reviews for impairment of housing properties are carried out on an annual basis and any impairment in an income-generating unit is recognised by a charge to the Income and Expenditure account. Impairment is recognised where the carrying value of an income-generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows from these units.

Impairment of assets would be recognised in the Income and Expenditure account.

(p) Work in progress

Completed properties and property under construction for outright sale are valued at the lower of costs and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sale price after allowing for all further costs of completion and disposal.

(q) Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, or financial liabilities.

(r) Lease obligations

Rentals paid under operating leases are charged to the income and expenditure account on the accrual's basis.

(s) Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell.

(t) Judgements in applying policy and key sources of estimation uncertainty

Useful lives of property, plant, and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case-by-case basis with the balance outstanding together with the payment history of the individual tenant being considered.
The obligations under the SHAPs pension scheme and the Strathclyde Pension Fund	This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025
(Continued)

2. Particulars of revenue, operating costs, operating surplus or deficit

		2025			2024	
	Note	Turnover £	Operating Costs £	Operating Surplus/ (Deficit) £	Turnover £	Operating Costs £
Social lettings	3a	31,210,286	(29,241,905)	1,968,381	34,331,168	(34,631,765)
Other activities	3b	328,256	(516,252)	(187,996)	694,616	(657,062)
Total		<u>31,538,542</u>	<u>(29,758,157)</u>	<u>1,780,385</u>	<u>35,025,784</u>	<u>(35,288,827)</u>
						<u>(263,043)</u>

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2025 (Continued)

3a - Particulars of turnover, operating costs, and operating surplus/(deficit) from social letting activities

	General Needs Housing	Shared Ownership Housing	Total 2025	2024
Income from lettings				
Rent receivable net of service charges	30,218,309	88,495	30,306,804	27,931,661
Service charges	51,758	-	51,758	49,927
Gross income from rents and service charges	30,270,067	88,495	30,358,562	27,981,588
Less: Voids	348,570	741	349,311	304,204
Net Income from rents and service charges	29,921,497	87,754	30,009,251	27,677,384
Amortisation of Social Housing and other grants	903,743	55,015	958,758	877,362
Grants from the Scottish Ministers	242,277	-	242,277	5,776,422
Grants from local authorities and other agencies	-	-	-	-
Total turnover from social letting activities	31,067,517	142,769	31,210,286	34,331,168
Management and maintenance administration costs				
Service costs	9,008,110	54,791	9,062,901	8,578,176
Planned and cyclical maintenance	3,154,965	-	3,154,965	3,377,236
Reactive maintenance costs	5,997,786	-	5,997,786	13,070,431
Bad debts – rents and service charges	5,459,735	-	5,459,735	4,382,484
Depreciation of social housing	261,670	-	261,670	204,851
	5,241,810	63,038	5,304,848	5,018,587
Operating costs for social letting activities	29,124,076	117,829	29,241,905	34,631,765
Operating surplus for social lettings	1,943,441	24,940	1,968,381	(300,597)
2024	(328,616)	28,019	(300,597)	

The total amount of major repairs expenditure incurred in the year was £7,366,465 (2024 - £14,387,246). Component expenditure of £3,612,581 (2024 - £3,763,261) was capitalised in the year. Of this total £3,612,581 (2024 £3,763,261) was for component replacement and £nil (2024 £nil) was for improvements.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025
(Continued)

3b – Particulars of turnover, 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)	Operating surplus/(deficit) for previous period of account
	£	£	£	£	£	£	£	£	£
Wider Action/wider role	121,475	-	-	1,471	122,946	-	371,176	(248,230)	(104,744)
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-
Development activities	-	-	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency services for RSL's	-	-	-	-	-	-	-	-	-
Other agency/management services	-	-	-	-	-	-	-	-	-
Developments for sale to RSL's	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to non registered social landlords, (including first tranche shared ownership sales)	-	-	-	205,310	205,310	-	145,076	60,234	142,298
Other activities	-	-	-	-	-	-	-	-	-
Total from other activities	121,475	-	-	206,781	328,256	-	516,252	(187,996)	37,554
2024	165,153	244,574	-	284,889	694,616	-	657,062	37,554	

The total for other activities includes £45,090 (2024 - £40,809) for rental of radio masts.

Further details on projects and funding from partners are given in note 27.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

4. Profit on sale of fixed assets

	2025	2024
	£	£
Sale proceeds	-	137,250
Cost of sales	-	42,170
Gain on sale of fixed assets	-	95,080

The Association is potentially liable to repay amounts on sales arising from the stock transfer from Glasgow Housing Association. During the year no such sales occurred.

5. Interest payable and Other Charges

	2025	2024
	£	£
Loan interest on housing properties	1,604,148	1,715,940
Other interest	-	-
	1,604,148	1,715,940
Less: loan interest capitalised	-	-
	1,604,148	1,715,940

Interest rates charged on loans during the year ranged from 3.24% to 6.09% (2024: 3.24% to 6.09%). There was no deferred interest or interest charged on the late payment of taxation.

6. Taxation

The Association has charitable status and is no longer liable for tax on its ordinary activities.

7. Surplus/(deficit) for the year

	2025	2024
	£	£
Surplus/(deficit) for the year is stated after charging: -		
Depreciation – Housing Properties	5,304,782	5,018,587
Depreciation – Other Tangible Assets	468,217	281,156
	5,772,999	5,299,743
External Auditors Remuneration – Audit Services	14,490	13,800
External Auditors Remuneration – Other services	498	474
Operating Lease Rentals – Land & Buildings	101,643	101,643

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

8. Non Current Assets – Housing properties

	Housing properties held for letting £	Housing properties in course of construction £	Completed shared ownership properties £	Total £
Cost				
At 1 April 2024	154,489,997	-	2,376,477	156,866,474
Additions	4,036,535	-	-	4,036,535
Disposals	-	-	-	-
Transfers	-	-	-	-
At 31 March 2025	158,536,532	-	2,376,477	160,903,009
Depreciation and impairment				
At 1 April 2024	38,757,551	-	858,593	39,616,144
Charge in year	5,241,744	-	63,038	5,304,782
Disposals	-	-	-	-
At 31 March 2025	43,999,295	-	921,631	44,920,926
Net book value				
As at 31 March 2025	114,527,237	-	1,454,846	115,982,083
As at 1 April 2024	115,732,446	-	1,517,884	117,250,330

None of the Associations land or property is held under a lease.

Housing properties held for letting are stated at deemed cost at 1 April 2014, as amended by subsequent additions and disposals, as part of the transitional changes allowed under FRS 102. The deemed cost was calculated from the Existing Use Value – Social Housing (EUV- SH) of the housing letting stock at 1 April 2014 by Jones Lang Lasalle in line with the RICS Valuation Professional Standards required by the RICS “Red Book”.

9. Shared equity - LIFT loans

	2025 £	2024 £
LIFT Loans made to owners	490,382	490,382
LIFT Grants	(490,382)	(490,382)
	-	-

These amounts represent the amount granted to the LIFT owner up to 1 April 2008 and the corresponding grant North Glasgow has received from Glasgow City Council. North Glasgow is responsible for the administration of these grants. As from 1 April 2008 the Scottish Government has taken security over completed sales and North Glasgow no longer includes the grants and related loans to the owner on the balance sheet.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

10. Non Current Assets – Other Tangible Assets

	Office Accommodation £	Furniture & Equipment £	Computer Hardware £	Sheltered Fixtures & Fittings £	Total £
Cost					
At 1 April 2024	3,371,431	2,227,559	1,593,563	47,944	7,240,497
Additions during year	726,368	72,747	213,876	-	1,012,991
Disposals during year	(385,929)	(1,569,800)	(1,356,324)	(47,944)	(3,359,997)
At 31 March 2025	3,711,870	730,506	451,115	-	4,893,491
Depreciation					
At 1 April 2024	968,203	1,827,529	1,378,770	47,944	4,222,446
Disposals during year	(385,929)	(1,569,800)	(1,356,324)	(47,944)	(3,359,997)
Charge for the year	153,655	179,453	135,109	-	468,217
At 31 March 2025	735,929	437,182	157,555	-	1,330,666
Net Book Value					
As at 31 March 2025	2,975,941	293,324	293,560	-	3,562,825
As at 1 April 2024	2,403,228	400,030	214,793	-	3,018,051

11. Debtors: Amounts falling due within one year

	2025 £	2024 £
Rents in arrears	1,661,123	1,608,521
Less: bad debt provision	(1,139,640)	(1,104,397)
	521,483	504,124
Trade debtors	1,350	5,885
Prepayments and accrued income	667,931	476,434
Other debtors	766,959	1,415,355
	<u>1,957,723</u>	<u>2,401,798</u>

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

12. Creditors due within one year

	2025	2024
	£	£
Loans (note 15)	2,289,500	2,382,958
Bank overdraft	-	970,395
Trade creditors	218,223	495,543
Other Taxation and Social Security	163,176	8,830
Other Creditors	791,035	714,744
Balance due to group companies	475,162	1,646,415
Accruals	951,434	960,208
Deferred income (note 16)	958,759	877,352
Liability for past service contributions (note 14)	551	746
Rents in advance	<u>1,366,608</u>	<u>1,218,810</u>
	<u>7,214,448</u>	<u>9,276,001</u>

13. Creditors due after more than one year

	2025	2024
	£	£
Liability for past service contributions (note 14)	993	-
Other creditors	3,306,314	3,584,572
Loans (note 15)	<u>33,657,209</u>	<u>36,053,251</u>
	<u>36,964,516</u>	<u>39,637,823</u>

14. Liability for past service contributions

The Association has staff in three pension schemes that are defined as a defined benefit scheme. Strathclyde Pension Fund (SPF) and the Scottish Housing Association Pension Scheme have been reported as a liability on the statement of financial position in previous years. The Growth Plan continues to be treated as a defined contribution scheme with deficit liabilities provided for.

Growth Plan

	2025	2024
	£	£
At 1 April 2024	746	1,596
Unwinding of discount factor	20	61
Deficit contribution paid	(760)	(912)
Remeasurements in assumptions	1,538	1
At 31 March 2025	<u>1,544</u>	<u>746</u>
Due in under one year	551	746
Due in over one year	<u>993</u>	<u>-</u>
	<u>1,544</u>	<u>746</u>

The liability for past service contributions for the Growth Plan has been accounted for in accordance with FRS 102 Para 28.13A and represents the present value of the contributions payable. The cash out flows have been discounted for the Growth Plan at a rate of 4.84% (2024 – 5.31%).

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

15. Loans

Loans are secured by specific charges on the Association's properties. Loans are repayable at varying rates of interest of 3.24% to 6.09% (2024 – 3.24% to 6.09%) in instalments due as follows:

	2025	2024
	£	£
In one year or less (note 12)	2,289,500	2,382,958
Between one and two years	2,411,090	2,323,663
Between two and five years	6,539,724	6,337,081
In five years or more	<u>24,706,395</u>	<u>27,392,507</u>
	<u>35,946,709</u>	<u>38,436,209</u>

The Association has a number of long-term housing loans the terms and conditions of which are as follows:

Lender	Security	Effective Interest rate	Maturity	Variable/ Fixed
Nationwide	Standard security	5.03%	2034	Fixed
Nationwide	Standard security	5.51%	2034	Fixed
Nationwide	Standard security	SONIA + 0.37%	2034	Variable
Nationwide	Standard security 195 properties	SONIA + 0.75%	2034	Variable
THFC	Standard security 185 properties	4.395%	2030	Fixed
GBSH	Standard security 1,068 properties	5.193%	2038	Fixed

The Nationwide Building Society holds a standard security over 1,173 properties for its first facility. These properties secure the loans in the first three lines above. The fixes end at dates before the final loan maturity date.

16. Deferred income

	2025	2024
	£	£
Social Housing and other Grant		
Balance at 1 April 2024	15,457,112	15,672,296
Additions in year	350,994	662,168
Amortisation in year	<u>(958,758)</u>	<u>(877,352)</u>
	<u>14,849,348</u>	<u>15,457,112</u>
 Due in under one year	 958,759	 877,352
Due in over one year	<u>13,890,589</u>	<u>14,579,760</u>
	<u>14,849,348</u>	<u>15,457,112</u>

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

17. Share Capital	2025	2024
	£	£
Shares of £1 fully paid and issued at 1 April	81	87
Shares issued during year	11	3
Shares cancelled in year	<u>(18)</u>	<u>(9)</u>
Shares issued at 31 March	<u>74</u>	<u>81</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.

18. Statement of Cash Flow	2025	2024
	£	£
Reconciliation of operating surplus		
Operating surplus/(deficit) for year	1,780,385	(263,043)
Depreciation – housing properties	5,304,848	5,018,587
Depreciation – other assets	468,215	281,157
Amortisation of capital grants	(958,758)	(877,362)
Change in stock	(25,204)	11,205
Change in debtors	444,075	(38,139)
Change in creditors	(1,463,996)	(1,695,566)
Change in pension provision	33,000	(981,000)
Share capital cancelled	<u>(18)</u>	<u>(9)</u>
Net cash inflow from operating activities	<u>5,582,547</u>	<u>4,846,962</u>

19. Stock	2025	2024
	No.	No.
The number of units in management at 31 March was as follows:		
General needs housing	5,431	5,430
Shared ownership accommodation	<u>34</u>	<u>34</u>
	<u>5,465</u>	<u>5,464</u>

Twenty-one units of mid-market rent properties are under management by the Associations subsidiary NG Property (Scotland) Limited.

20. Employees	2025	2024
	£	£
Wages and salaries	4,459,085	4,369,274
Social security costs	429,386	421,779
Pension costs	<u>312,349</u>	<u>546,857</u>
	<u>5,200,819</u>	<u>5,337,910</u>
The number of persons employed by the Association during the year were as follows:	No	No
- full time equivalent	<u>108</u>	<u>113</u>

Full time equivalent is based on a thirty-five-hour week as staff are employed on varying contracts ranging up to 42 hours per week.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

20. Employees (contd)

The definition of key management personnel in the 2019 Determination includes those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. This includes governing body members. The aggregate amount of emoluments payable to or receivable by, the key management personnel and former key management personnel of the Association landlord whose total emoluments are £60,000 or more, excluding employer's pension contributions, during the reporting period is disclosed below.

	£	£
Emoluments payable to key management personnel earning over £60k	<u>401,455</u>	<u>380,514</u>
Emoluments payable to all key management personnel (without pension contributions)	<u>401,455</u>	<u>380,514</u>
Emoluments payable to the CEO	133,204	126,459
Pension contributions for the CEO	<u>21,532</u>	<u>20,313</u>
	<u>154,736</u>	<u>146,772</u>

Emoluments over £60,000 including pension contributions paid to key management personnel can be analysed as follows:

	No	No
£90,001 - £100,000	-	1
£100,001 - £110,000	2	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1
£140,001 - £150,000	<u>1</u>	<u>-</u>

No member of the Board received any emoluments in respect of their services to the Association.

Expenses paid to the Board	<u>3,644</u>	<u>3,486</u>
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The Association's contributions to the pension scheme for key management personnel earning over £60k in the year amounted to £99,332 (2024 - £93,707).

21. Related Parties

Members of the Board are related parties of the Association as defined by Financial Reporting Standard 102. Tenants, sharing owners and owners who are members of the Board are not treated differently to any other tenants or owners. City Councillors who are members of the Board declare their interests relating to relevant decisions taken by the Association or the City Council. Governing Board members cannot use their position to any advantage. Any transaction between the Association and any entity with which a Governing Body Member has a connection with is made at arms length and is under normal commercial terms.

The related party relationships of the members of the Board are that five members were tenants of the Association, two members were factored owners, and six members were neither tenants nor factored owners.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

21. Related Parties (Contd)

Transactions with Governing Board Members in the year were £17,183 (2024 - £7,566) of rent was charged and £1,107 (2024 £946) of factoring charges. At the year end there were arrears of rent of £119 (2024 - £102) and factoring charges of £nil (2024 - £62).

The Association has taken advantage of the exemptions conferred by FRS102 in not disclosing transactions with wholly owned subsidiaries of the Association.

22. Subsidiary Companies

The Association has four subsidiary companies NG Property (Scotland) Limited (NGPS), Design Services Glasgow Limited (DSGL), ng2 Limited and ng3 Limited. All companies are companies limited by shares and are registered in Scotland

	% Holding	Class of shares	Country of Incorporation	Cost £
NGPS	100	Ordinary	Scotland	1,000
DSGL	100	Ordinary	Scotland	100
ng2	100	Ordinary	Scotland	100
ng3	100	Ordinary	Scotland	100

NGPS handles the factoring and other activities that the Association cannot undertake due to its charitable status. NGPS had capital and reserves of £245,113 (2024 capital and reserves of £235,039) and profits of £10,074 (2024 profit of £24,039) for the year ended 31 March 2025. The principal activity of the company is that of property management. Balance due to NGPS at year end was £178,403 (2024 – balance due to NGPS £205,984).

DSGL handles the development contracts for the group. DSGL has capital and reserves of £117,902 (2024 – £210,1869) and loss of £92,284 for the year after a gift aid payment of £100,000 (2024 – profit £149,827). The principal activity of the company is that of design services and contracting. Balance of £37,155 was owed to DSGL at the year-end (2024 – owed to DSGL £1,138,699).

ng2 was formed to handle the Associations social economy activities and to encourage local employment and training opportunities. The result for the year was a profit of £11,026 (2024 - loss £12,588) and capital and reserves of £873,978 (2024 - £862,952). Balance due by the Association at 31 March 2025 was £295,642 (2024 – due by the Association £301,733).

ng3 Limited was formed in 2010 and is a dormant company.

The Board is of the opinion that it would be of no real value to the members of the Association to consolidate or include the accounts of the Association's subsidiaries in the group accounts, required to be prepared under Section 98 of the Co-operative and Community Benefit Societies Act 2014 for the year ended 31 March 2025, because the business of the Association and that of the subsidiaries are so different they cannot be treated as a single undertaking and there is no value to the members in preparing group accounts.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

23. Pension Fund – Scottish Housing Associations Pension Scheme

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

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

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the company 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.

The assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increases in salaries and pensions. The principal actuarial assumptions at the year end were as follows:

	2025	2024
Discount rate	5.77%	4.89%
Future salary increases	3.78%	3.77%
Inflation RPI	3.11%	3.17%
Inflation CPI	2.78%	2.77%
Allowance for commutation of pension for cash at retirement	75% of max allowance	75% of max allowance

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies for a 65-year-old to live for a number of years as follows:

	2025	2024
Male retiring in 2025	20.2	20.2
Female retiring in 2025	22.7	22.7
Male retiring in 2044	21.5	21.4
Female retiring in 2044	24.2	24.1

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

23. Pension Fund – Scottish Housing Associations Pension Scheme (contd)

The present value of the defined benefit obligation is as follows:

	2025 £000's	2024 £000's
Opening defined benefit obligation	13,436	13,209
Current service cost	158	142
Expenses	21	20
Interest expense	651	639
Contributions by plan participants	187	163
Actuarial losses/(gains) due to scheme experience	307	(26)
Actuarial losses/(gains) due to changes in demographic assumptions	-	(85)
Actuarial losses/(gains) due to changes in financial assumptions	(1,413)	(1)
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Benefits paid and expenses	(595)	(625)
Closing defined benefit obligation	<u>12,752</u>	<u>13,436</u>

Movements in fair value of plan assets

Opening fair value of plan assets	11,798	12,552
Interest income	575	611
Experience on plan assets (excluding amount in interest)	(1,170)	(1,233)
Contributions by the employer	352	330
Contributions by plan participants	187	163
Benefits paid and expenses	(595)	(625)
Closing fair value of plan assets	<u>11,147</u>	<u>11,798</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 was (£595,00)

Defined benefit costs recognised in statement of comprehensive income

Current service cost	158	142
Expenses	21	20
Net interest expense	76	28

Defined benefit costs recognized in SOCI

<u>255</u>	<u>190</u>
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Defined benefit costs recognised in other comprehensive income

Experience on plan assets (excluding amount in interest)	(1,170)	(1,233)
Experience gains and losses arising on the plan liabilities	(307)	26
Effect of changes in the demographic assumptions underlying the present value of the defined benefit obligation	-	85
Effect of changes in the financial assumptions underlying the present value of the defined benefit obligation	1,413	1

Defined benefit costs recognized in OCI

<u>(64)</u>	<u>(1,121)</u>
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NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

23. Pension Fund – Scottish Housing Associations Pension Scheme (contd)

Movement in deficit during the year

(Deficit) at beginning of year	(1,638)	(657)
Current service cost	(179)	(162)
Losses on settlements or curtailments	-	-
Employer contributions	352	330
Past service costs	-	-
Net interest expense	(76)	(28)
Actuarial gain/(losses)	(64)	(1,121)
(Deficit) at end of the year	<u>(1,605)</u>	<u>(1,638)</u>

The value of the plan assets were as follows

	2025 £000's	2024 £000's
Global Equity	1,291	1,357
Absolute Return	-	530
Distressed Opportunities	-	434
Credit Relative Value	-	415
Alternative Risk Premia	-	425
Liquid alternatives	2,052	-
Emerging Markets Debt	-	207
Risk Sharing	-	708
Insurance-Linked Securities	42	73
Property	552	499
Infrastructure	2	1,130
Private equity	10	9
Real assets	1,330	-
Private Debt	-	475
Opportunistic Illiquid Credit	-	470
Private credit	1,390	-
Credit	474	-
Investment grade credit	510	-
High Yield	-	2
Cash	60	306
Long Lease Property	4	88
Secured Income	258	394
Liability Driven Investment	3,138	4,267
Currency hedging	19	(5)
Net Current Assets	15	14
Total assets	<u>11,147</u>	<u>11,798</u>

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

The amounts recognised in the balance sheet are as follows:

Present value of scheme liabilities	(12,752)	(13,436)
Fair value of scheme assets	<u>11,147</u>	<u>11,798</u>
(Deficit)	<u>(1,605)</u>	<u>(1,638)</u>

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

24. Pension Fund – Pensions Trust Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution 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 scheme is classified as a 'last-man standing arrangement'. Therefore, the company 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.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2025 to 31 March 2028:	£2,100,000 per annum	(payable monthly)
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Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025:	£3,212,000 per annum	(payable monthly)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

24. Pension Fund – Pensions Trust Growth Plan (continued)

PRESENT VALUES OF PROVISION

	31 March 2025 £	31 March 2024 £	31 March 2022 £
Present value of provision	1,544	746	1,596

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Year Ending 31 March 2025 £	Year Ending 31 March 2024 £
Provision at start of period	746	1,596
Unwinding of the discount factor (interest expense)	20	61
Deficit contribution paid	(760)	(912)
Remeasurements - impact of any change in assumptions	10	1
Remeasurements - amendments to the contribution schedule	1,528	-
Provision at end of period	1,544	746

INCOME AND EXPENDITURE IMPACT

	Year Ending 31 March 2025 £	Year Ending 31 March 2024 £
Interest expense	20	61
Remeasurements – impact of any change in assumptions	10	1
Remeasurements – amendments to the contribution schedule	1,528	-
Contributions paid in respect of future service*	-	-
Costs recognised in income and expenditure account	-	-

ASSUMPTIONS

	31 March 2025 % per annum	31 March 2024 % per annum	31 March 2022 per annum
Rate of discount	4.84%	5.31%	5.52%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The Association made payments totalling £760 (2024: £912) to the pension scheme during the year.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS
AT 31 MARCH 2025
(Continued)

25. Pensions Fund – Strathclyde Pension Fund

Some of the Associations employees belong to the Strathclyde Pension Fund which is administered by Glasgow City Council and is a defined benefit scheme. The assets of the scheme are held separately from those of the Association in investments under the overall supervision of the Fund Trustees. The last full actuarial valuation was carried out at 31 March 2024. The following information was updated for FRS 102 purposes to 31 March 2025 by a qualified independent actuary

The assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increases in salaries and pensions. The principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	2025	2024	2022	2021	2020
Discount rate	5.80%	4.85%	4.75%	2.70%	2.0%
Future salary increases	3.45%	3.45%	3.65%	3.90%	3.55%
Pension increase rate	2.75%	2.75%	2.95%	3.20%	2.85%

In valuing the liabilities of the pension fund at 31 March 2025, mortality assumptions have been made as indicated below. The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year-old to live for a number of years as follows:

- Current pensioner aged 65: 20.6 years (male), 21.3 years (female)
- Future retiree upon reaching 65: 19.3 years (male), 23.9 years (female).

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The present value of the defined benefit obligation is as follows:

Defined Benefit Plans	2025 £000's	2024 £000's
Opening defined benefit obligation	10,971	10,133
Current service cost	231	235
Past service cost	-	-
Interest cost	532	481
Loss on curtailment	-	-
Actuarial losses/(gains)	(1,809)	430
Contributions by members	72	70
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Estimated benefits paid	(272)	(378)
Closing defined benefit obligation	9,725	10,971

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

25. Pensions Fund – Strathclyde Pension Fund (continued)

Movements in fair value of plan assets

	2025 £000's	2024 £000's
Opening fair value of plan assets	16,643	14,230
Expected return on plan assets	803	677
Return on assets	(305)	1,767
Contributions by the employer	38	277
Contributions by the members	72	70
Estimated benefits paid	(272)	(378)
Closing fair value of plan assets	<u>16,979</u>	<u>16,643</u>

Defined benefit costs recognised in statement of comprehensive income

Current service cost	231	235
Past service cost	-	-
Interest on defined benefit pension plan obligation	803	677
Expected return on defined benefit pension plan asset	(532)	(481)
	<u>502</u>	<u>39</u>

The fair value of the plan assets were as follows

	£000	%	£000	%
Equities	10,187	60	9,653	58
Corporate bonds	3,905	23	4,494	27
Property	1,528	9	1,664	10
Cash	1,358	8	832	5
	<u>16,979</u>		<u>16,643</u>	

Movement in surplus/(deficit) during the year

Surplus/(deficit) at beginning of year	-	-
Current service cost	(231)	(235)
Losses on settlements or curtailments	-	-
Employer contributions	38	277
Past service costs	-	-
Unwinding of discount	271	196
Actuarial gain/(losses)	1,504	1,337
Gain not recognised	(1,582)	(1,575)
Surplus/(deficit) at end of the year	<u>-</u>	<u>-</u>

The amounts recognised in the balance sheet are as follows:

Present value of scheme liabilities	(9,725)	(10,971)
Fair value of scheme assets	16,979	16,643
Surplus/(deficit) per actuarial report	7,254	5,672
Asset not recognised	(7,254)	(5,672)
Recognised in the accounts	<u>-</u>	<u>-</u>

The actuarial report indicates that there is a surplus within the scheme. As North Glasgow Housing Association do not have the authority to recover this surplus it has not been recognised as an asset.

North Glasgow Housing Association Limited expects to contribute £72,000 (2024 - £74,000) to the Strathclyde Pension Fund in the coming year.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

26. Provision for Pension liability

The Association has staff in two pension schemes that are defined as both defined benefit schemes and where there is sufficient information to be reported as a liability on the statement of financial position

	SHAPS £000	SPF £000	2025 £000	2024 £000
At 1 April 2024	(1,638)	-	(1,638)	(657)
Transfer from other comprehensive income	-	-	-	-
Current service cost	(179)	(231)	(410)	(397)
Employer contributions	352	38	390	607
Past service costs	-	-	-	-
Net interest expense	(76)	271	195	168
Actuarial gain/(losses)	(64)	1,504	1,440	216
Gain not recognized	-	(1,582)	(1,582)	(1,575)
At 31 March 2025	<u>(1,605)</u>	<u>-</u>	<u>(1,605)</u>	<u>(1,638)</u>

27. Contingent liabilities

The Association is potentially liable until 2033 to repay amounts on property sales on stock that originated from the stock transfer from Glasgow Housing Association. At 31 March 2025 the Association had no other contingent liabilities (2024 -£Nil).

28. Funding from partners

Funds were awarded from a Social Housing Fund grant from Cycle Scotland to assist plans to increase Active Travel and cycling in the local communities. Investment in cycle storage pods was done in the year and will continue in the next year.

Funds were received from NRS in Glasgow City Council to assist with acquisitions and planned maintenance works to Victorian tenements.

The Association is grateful for the support given from all its funders and collaborative partners.

NORTH GLASGOW HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2025

(Continued)

29. Commitments under operating leases

At 31 March 2025 the Association had commitments under non-cancellable operating leases as set out below:

	2025		2024	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Within 1 year	101,643	-	101,643	-
Within 2- 5 years	231,455	-	291,495	-
Over 5 years	79,739	-	121,342	-
	421,837	-	514,480	-

30. Capital Commitments

	2025 £	2024 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	-
This is to be funded by:		
SHG	-	-
Private finance	-	-
	-	-

31. Details of Association

The Association is a Registered Society registered with the Financial Conduct Authority under reference 1865 R(S) and is domiciled in Scotland. The Associations principal place of business is 50 Reidhouse Street, Glasgow, G21 4LS.

The Association is a Registered Social Landlord with reference HCB 187 and a Scottish Charity with reference SC030635 that owns and manages social housing property in Glasgow.