

**REIDVALE HOUSING ASSOCIATION**  
**REPORT and FINANCIAL STATEMENTS**  
**For the year ended 31 March 2024**

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**For the year ended 31 March 2024**

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## REIDVALE HOUSING ASSOCIATION

### MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS

For the year ended 31 March 2024

#### MANAGEMENT COMMITTEE

D Dempsey	(Appointed 25 March 2024) Chairperson
E Marley	
H Moore	(Resigned 6 September 2023, Appointed 4 April 2024)
J Marley	
E McVey	
P McCrudden	
C Lowe	(Resigned 20 March 2024)
A Firth	(Resigned 8 March 2024)
I Brodie	(Resigned 20 March 2024)
R Anderson	(Resigned 29 November 2023)
I McLean	(Resigned 20 March 2024)
S Campbell	(Resigned 20 March 2024)
L Wishart	(Appointed 6 September 2023)
G Dempsay	(Appointed 25 March 2024)
H Richman	(Appointed 25 March 2024) Vice Chairpeson
I Elrick	(Appointed 20 March 2024)
G Bitten-O'Prey	(Appointed 25 March 2024)
C Rubio-Gutierrez	(Appointed 25 March 2024)
M Carberry	(Appointed 4 April 2024)
J Hastie	(Appointed 17 April 2024)

#### SECRETARY

Jill Cronin	(Resigned 13 March 2024)
Julie Smillie	(Appointed April 2024)

#### EXECUTIVE OFFICERS

Jill Cronin	(Resigned 13 March 2024)
Lynn McCulloch	(Appointed 13 March 2024, Resigned 15 April)
Paul Rydquist	(Appointed 13 March 2024, Resigned 15 April)
Julie Smillie	(Appointed 15 April 2024)

#### REGISTERED OFFICE

13 Whitevale Street  
Glasgow  
G31 1QW

#### EXTERNAL AUDITORS

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

#### BANKERS

Lloyds Bank plc  
177 Ingram Street  
Glasgow  
G1 1DL

#### SOLICITORS

T C Young  
7 West George Street  
Glasgow  
G2 1BA

## **REIDVALE HOUSING ASSOCIATION**

### **REPORT of the MANAGEMENT COMMITTEE**

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

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

#### **Legal Status**

Reidvale Housing Association ('The Association') is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.1825R(S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC044023.

#### **Principal Activities**

The principal activity of the Association is the provision of affordable rented housing to people in most need in the East end of Glasgow. The Association owns and manages 897 rented properties; factors 232 owner occupied properties; and owns 9 commercial properties which are either leased out or vacant.

#### **Review of Business and Future Developments**

We reported last year that the Management Committee was pursuing a transfer of engagements, had identified a potential transfer partner, and following the preparation of a business case and tenant consultation, a ballot of tenants resulted in a majority vote for transfer towards the end of 2023. However, a strong local campaign to preserve the independence of the Association resulted in the membership rejecting the proposal to transfer at a Special General Meeting in January 2024. Reidvale has over 400 shareholding members, the vast majority of which are tenants.

Since then the membership of the Management Committee has changed significantly, with a number of new members and co-optees joining, all committed to the aims of the campaign, and to restoring Reidvale's former reputation as a sector leader and innovator. The new Committee is working well together, to establish a new strategic direction and business plan. A major review of services and business fundamentals is underway as part of this process, and the Association expects to finalise a new strategic plan and accompanying 30-year financial projections during the first quarter of 2025.

The Association's regulatory status is unchanged since last year, according to the current Engagement Plan published by the Scottish Housing Regulator: non-compliant, working towards compliance. The Association has taken on additional temporary resource to help address all areas of non- and partial compliance with regulatory requirements, and has created an enhanced Governance Improvement Plan which is closely monitored by the Management Committee. It is undertaking a comprehensive self-assessment review of regulatory compliance as part of its preparation for the submission of its latest Annual Assurance Statement, to ensure that any gaps and potential areas requiring improvement are captured. We are liaising closely with the Scottish Housing Regulator while these programmes are developed and implemented, and the Committee is determined to restore the Association to compliance within the next 12 months.

As part of the preparation for the new business plan, a key component will be the development of a new Asset Management Strategy. To facilitate this, updated stock condition and stonework surveys are being conducted. Our stonework repair programme to our sandstone tenement buildings (the majority of our housing stock) started in 2022/23 following our initial stonework survey in 2021. Two properties, containing 19 apartments, in our 2023/24 repair programme have been demonstrated to have substantial structural weaknesses that are beyond the financial capacity of the business to re-instate or re-provide without further grant-based financial support, which is now being sought. We believe that there are a number of other community-based Associations facing challenges from stonework repair programmes, and that this currently hidden issue, and future funding solutions, will need to be addressed in coming years.

The Association has limited its in-year stonework and component renewal programmes to an affordable level, and remains financially stable, with good levels of cash reserves. Its housing and property service performance and tenant satisfaction levels regularly outperform Scottish sector averages, and it performs at a slightly better than average level when benchmarked against its peers. Its ancillary services – retirement housing, factoring services and community investment programmes – are all under review as part of the business plan preparation process, as well as core services, and significant change and improvement programmes can be expected to be put in place for the coming years.

## **REIDVALE HOUSING ASSOCIATION**

### **REPORT of the MANAGEMENT COMMITTEE (Continued)**

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

#### **Structure, governance and management**

The Association is controlled by a Management Committee. The members of the Management Committee and the Executive Officers are listed on Page 1.

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

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

#### **Risk management**

The Association has a comprehensive range of policies and procedures in place to ensure that all aspects of risk are managed and mitigated as far as is possible in the interests of business continuity. The key elements of our risk management are:

- a detailed Risk Management Policy which aims to identify, manage and minimise risks which may prevent the Association from achieving its objectives. The identification and management of risk is a continuous process as changes are made to how the Association operates and to the internal/external environment in which it operates.
- a Risk Register which is subject to regular review and update, identifying changes in risk since last considered and identifying all key mitigation measures proposed to reduce or manage the risk, financial risk in particular.
- a Business Continuity Policy which sets out the roles and responsibilities of staff and Committee in the event of significant disruption to the normal business of the Association and aims to minimise the disruption and confusion this might cause.
- the defining of our top risks as mitigating the impact of the economic challenges, ensuring compliance with Regulatory Standards; EESSH compliance; the failure to achieve major reinvestment per the Life Cycle Costing (HUB) programme; tackling our backlog of policy framework reviews; impact of current homelessness policy on community stability and IT systems failure and security breaches.

#### **Maintenance policies**

The Association aims to maintain its properties to a high standard. To this end programmes of cyclical maintenance are carried out alongside programmes of major repairs to cover for such works. Key identified components are capitalised when replaced.

#### **Treasury management**

The Association, as a matter of policy, does not enter into transactions of a speculative nature. The surplus funds are managed carefully using long established banks or building societies. Committee members attend treasury management training on an annual basis.

#### **Equalities**

Applications for employment are given full and fair consideration for all vacancies in accordance with equalities legislation and information is collected and reported on the protected characteristics. It is the policy of the Association that training, career development and promotion opportunities should be available to all employees.

#### **Training**

The Committee members are aware of their responsibilities and have undertaken a range of training to ensure that they have the updated skills to make decisions in the best interests of the Association. Training has included insurance and risk, practical governance and regulation. Each Committee member undertakes an annual review to discuss and plan training requirements.

#### **Reserves**

The Association needs to have reserves to ensure the organisation can function into the future and meet its future liabilities, including the major repairs and investment needs of its properties. The revenue reserve of £4.14m reflects primarily the past investment in the housing stock and reserves for future major repairs. The Association has a cash level of £2.88m to support its future plans and operating requirements. The Association reviews its maintenance spending plans regularly and re-assesses them in relation to reserves and cash flows.

## REIDVALE HOUSING ASSOCIATION

### REPORT of the MANAGEMENT COMMITTEE (Continued)

#### For the year ended 31 March 2024

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

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

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

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements – 2024. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

#### **Disclosure of information to the auditor**

To the knowledge and belief of each of the persons who are members of the Management Committee at the time the report is approved:

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

The Report of the Management Committee has been approved on behalf of the Management Committee by

**D Dempsey**  
Chairperson

Date: 28.5.24

## REIDVALE HOUSING ASSOCIATION

### REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2024

#### Statement on Internal Financial Control

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

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

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

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

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2024. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

**BY ORDER OF THE MANAGEMENT COMMITTEE**

**D Dempsey**  
Chairperson

Date: 28.8.24

**REPORT by the AUDITORS to the MEMBERS OF**

**REIDVALE HOUSING ASSOCIATION on**

**CORPORATE GOVERNANCE MATTERS**

**CT:**

In addition to our audit of the Financial Statements, we have reviewed your statement on page 6 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

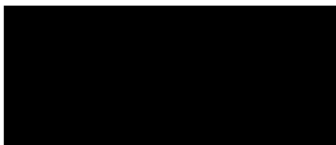
**Basis of Opinion**

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

**Opinion**

In our opinion the Statement on Internal Financial Control on page 6 has provided the disclosures required by the relevant Regulatory Standards within the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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



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

Date: 30/8/24



### Opinion

We have audited the financial statements of Reidvale Housing Association (the 'Association') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – 2024.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

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

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

**Responsibilities of the Management Committee**

As explained more fully in the Statement of Management Committee's Responsibilities as set out on Page 5, the Management Committee 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 Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the Association operates in and how the Association is complying with the legal and regulatory frameworks;
- inquired of management and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.


As a result of these procedures, we consider that the most significant laws and regulations that have a direct impact on the financial statements were, but not limited to, FRS 102, Housing SORP 2018, the Scottish Housing Regulator's Determination of Accounting Requirements 2024, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland Act) 2010. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures against the requirements of the relevant financial reporting standards.

We also performed audit procedures to inquire of management, and those charged with governance whether the Association is in compliance with these laws and regulations, inspected correspondence with regulatory authorities including mandatory submissions to the Regulator, reviewed minutes of meetings of the Management Committee and relevant sub-committees, and reviewed available online information.

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

**Use of our report**

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



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

Date: 30/8/24

**REIDVALE HOUSING ASSOCIATION**

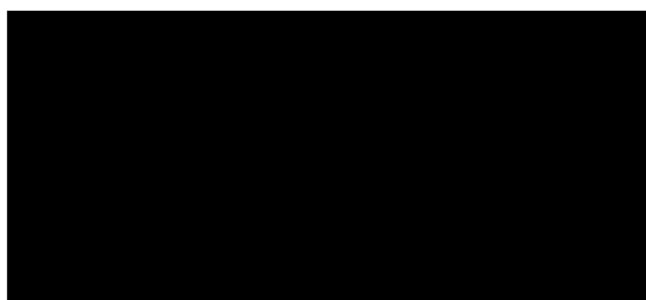
**STATEMENT of COMPREHENSIVE INCOME**

**For the year ended 31 March 2024**

	Notes	2024	2023
		£	£
<b>Revenue</b>	2	4,761,613	4,210,876
Operating Costs	2	(5,003,763)	(3,917,647)
Operating (deficit)/surplus		(242,150)	293,229
Interest receivable and other income		29,125	1,678
Interest payable and similar charges	7	(15,000)	(3,000)
Other finance charges		(99)	(77)
		14,026	(1,399)
(Deficit)/Surplus before other comprehensive income		(228,124)	291,830
<b>Other Comprehensive Income</b>			
Actuarial losses in respect of pension scheme	21	(375,000)	(275,000)
<b>(Deficit)/Surplus for the year</b>	8	(603,124)	16,830

All amounts relate to continuing operations.

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 28 August 2024.



Chairperson – D Dempsey

Vice Chair – H Richman

Secretary – J Smillie

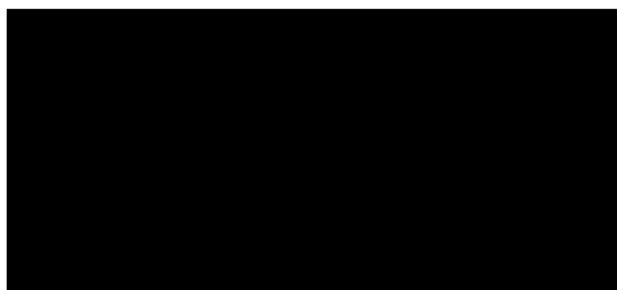
The notes on pages 15 to 28 form part of these financial statements

REIDVALE HOUSING ASSOCIATION  
STATEMENT of FINANCIAL POSITION

As at 31 March 2024

	Notes	2024		2023	
		£	£	£	£
<b>Non-current assets</b>					
Housing properties – depreciated cost	10(a)		16,792,158		17,430,442
Other non-current assets	10(b)		87,516		41,422
			-----		-----
			16,879,674		17,471,864
<b>Current assets</b>					
Receivables	11	359,244		341,658	
Cash at bank and in hand		2,229,601		2,884,351	
			-----		-----
		2,588,845		3,226,009	
<b>Creditors:</b> amounts falling due within one year	12	(895,489)		(892,979)	
			-----		-----
<b>Net current assets</b>			1,693,356		2,333,030
			-----		-----
<b>Total assets less current liabilities</b>			18,573,030		19,804,894
<b>Creditors:</b> amounts falling due after more than one year					
	13		(704,212)		(333,595)
<b>Deferred income</b>					
Social Housing grants	15		(14,333,038)		(15,332,402)
			-----		-----
<b>Net assets</b>			3,535,780		4,138,897
			=====		=====
<b>Equity</b>					
Share capital	16		456		449
Revenue reserves			3,535,324		4,138,448
			-----		-----
			3,535,780		4,138,897
			=====		=====

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 28 August 2024.



Chairperson – D Dempsey

Vice Chair – H Richman

Secretary – J Smillie

The notes on pages 15 to 28 form part of these financial statements.

**REIDVALE HOUSING ASSOCIATION**

**STATEMENT of CASH FLOWS**

**For the year ended 31 March 2024**

	Notes	2024	2023
		£	£
<b>Net cash (outflow)/inflow from operating activities</b>	14	(46,787)	481,387
<b>Investing activities</b>			
Acquisition and construction of properties	(572,005)	(284,851)	
Purchase of other fixed assets	(65,109)	-	
<b>Net cash outflow from investing activities</b>		(637,114)	(284,851)
<b>Financing activities</b>			
Interest received on cash and cash equivalents	29,125	1,678	
Share capital issued	26	10	
<b>Net cash inflow from financing activities</b>		29,151	1,688
<b>(Decrease)/Increase in cash</b>		(654,750)	198,224
<b>Opening cash and cash equivalents</b>		2,884,351	2,686,127
<b>Closing cash and cash equivalents</b>		2,229,601	2,884,351
<b>Cash and cash equivalents as at 31 March</b>		2,229,601	2,884,351
<b>Cash</b>		2,229,601	2,884,351

**Analysis of Changes in Net Debt**

	2023	Non-cash Changes			2024
		Cash Flows	Finance Leases	Other Changes	
	£	£	£	£	£
Cash and cash equivalents	2,884,351	(654,750)	-	-	2,229,601
<b>Total net debt</b>	<b>2,884,351</b>	<b>(654,750)</b>	<b>-</b>	<b>-</b>	<b>2,229,601</b>

The notes on pages 15 to 28 form part of these financial statements.

REIDVALE HOUSING ASSOCIATION

STATEMENT of CHANGES IN EQUITY

As at 31 March 2024

	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Total</b>
	£	£	£
<b>Balance as at 31 March 2023</b>	449	4,138,448	4,138,897
Issue of shares	26	-	26
Cancellation of shares	(19)	-	(19)
(Loss) for the year	-	(603,124)	(603,124)
<b>Balance as at 31 March 2024</b>	<u>456</u>	<u>3,535,324</u>	<u>3,535,780</u>

	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Total</b>
	£	£	£
<b>Balance as at 1 April 2022</b>	490	4,121,618	4,122,108
Issue of shares	10	-	10
Cancellation of shares	(51)	-	(51)
Surplus for the year	-	16,830	16,830
<b>Balance as at 31 March 2023</b>	<u>449</u>	<u>4,138,448</u>	<u>4,138,897</u>

# REIDVALE HOUSING ASSOCIATION

## NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 1. Principal accounting policies

#### Statement of Compliance

The financial statements of have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS102) (United Kingdom Generally Accepted Accounting Practice), the Housing SORP 2018 'Statement of Recommended Practice for Registered Housing Providers' and they comply with the Determination of Accounting Requirements 2024, and under the historical cost convention, modified to include certain financial instruments at fair value.

The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102. These financial statements represent the results of the Association only and are presented in Pounds Sterling (GBP).

#### Going concern

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

#### Revenue

The Association recognises rent receivable net of losses from voids.

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

#### Retirement Benefits

The Association participates in the Scottish Housing Associations' Pension Scheme (SHAPS) and retirement benefits to employees of the Association are funded by 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.

It has become possible to identify the share of underlying assets and liabilities belonging to individual participating employers and the scheme is now accounted for as a defined benefit plan, as opposed to defined contribution, for the benefit of its employees. No new benefits have been introduced and there is no change to the benefits themselves.

A liability for the Association's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.



# REIDVALE HOUSING ASSOCIATION

## NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

### 1. Principal accounting policies (continued)

#### Valuation of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight-line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 10. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

<b>Component</b>	<b>Useful Economic Life</b>
Structure	50 years
Windows	30 years
Central Heating	15 years
Kitchens	15 years
Bathrooms	30 years

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

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

<b>Asset Category</b>	<b>Depreciation Rate</b>
Office premises	15 years straight line
Commercial premises	15 years straight line
Fixtures and fittings	20 years reducing balance
Office equipment	5 years straight line

The carrying values of non-current assets are reviewed for impairment at the end of each reporting period. Other fixed assets with a cost of £10,000 or more are capitalised and depreciated in accordance with the policy noted above.

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

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

Social Housing Grant attributed to individual components is written off to the Statement of Comprehensive Income when these components are replaced.

Social Housing 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.

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

#### Sales of Housing Properties

First tranche Shared Ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the Statement of Comprehensive Income.

#### Taxation

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

## REIDVALE HOUSING ASSOCIATION

### NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

#### 1. Principal accounting policies (continued)

##### Estimation Uncertainty

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

##### a) Rent Arrears - Bad Debt Provision

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

##### b) Life Cycle of Components

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

##### c) Useful life of properties, plant and equipment

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

##### Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

##### Capitalisation of Development Overheads

Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

##### Development Interest

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

#### Key Judgements made in the application of Accounting Policies

##### a) The Categorisation of Housing Properties

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

##### b) Identification of cash generating units

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

##### c) Financial instrument break clauses

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

##### d) Pension Liability

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

##### Financial Instruments - Basic

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

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

REIDVALE HOUSING ASSOCIATION

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

2. Particulars of turnover, operating costs and operating surplus or deficit from affordable letting and other activities

	Turnover	Operating Costs	2024 Operating surplus/ (deficit)	Turnover	Operating Costs	2023 Operating surplus/ (deficit)
	£	£	£	£	£	£
Affordable letting activities (note 3)	4,720,035	4,956,115	(236,080)	4,166,585	(3,885,201)	281,384
Other activities (note 4)	41,578	47,648	(6,070)	44,291	(32,446)	11,845
	-----	-----	-----	-----	-----	-----
	4,761,613	5,003,763	(242,150)	4,210,876	(3,917,647)	293,229
	=====	=====	=====	=====	=====	=====

3. Particulars of income and expenditure from affordable letting activities

	General Needs Housing	Supported Housing Accom'n	Total 2024	Total 2023
	£	£	£	£
3				
Rent receivable net of service charges	3,426,170	142,474	3,568,644	3,334,975
Service charges	31,234	75,920	107,154	100,550
	-----	-----	-----	-----
Gross income from rents and service charges	3,457,404	218,394	3,675,798	3,435,525
<u>Less: Voids</u>	(48,708)	(2,145)	(50,853)	(26,967)
	-----	-----	-----	-----
<b>Net income from rents and service charges</b>	3,408,696	216,249	3,624,945	3,408,558
Grants released from deferred income	965,715	33,649	999,364	702,504
Other revenue grants	89,950	5,776	95,726	55,523
	-----	-----	-----	-----
<b>Total turnover from social letting</b>	4,464,361	255,674	4,720,035	4,166,585
	-----	-----	-----	-----
Management and administration costs	1,691,196	86,404	1,777,600	1,615,904
Service costs	4,766	72,935	77,701	117,656
Planned and cyclical maintenance including major repairs costs	891,673	47,607	939,280	532,209
Reactive maintenance costs	795,219	55,129	850,348	695,566
Bad debts – rents and service charges	125,299	46	125,345	56,047
Depreciation of affordable let properties	810,225	47,607	857,832	867,819
Impairment	328,009	-	328,009	-
	-----	-----	-----	-----
<b>Operating costs for social letting</b>	4,646,387	309,728	4,956,115	3,885,201
	-----	-----	-----	-----
Operating (deficit)/surplus on social letting	(182,026)	(54,054)	(236,080)	78,888
	=====	=====	=====	=====
2023	252,989	28,395	281,384	
	=====	=====	=====	

**REIDVALE HOUSING ASSOCIATION**

**NOTES to the FINANCIAL STATEMENTS (continued)**

**For the year ended 31 March 2024**

**4. Particulars of revenue, operating costs and operating surplus or deficit from other activities**

	Other Income £	Total Turnover £	Operating Costs Bad Debts £	Operating Costs Other £	Operating surplus/ (deficit) 2024 £	Operating surplus/ (deficit) 2023 £
Wider role activities	2,520	2,520	-	(4,205)	(1,685)	(4,479)
Factoring	15,787	15,787	-	(36,047)	5,826	5,826
Commercial rent	23,271	23,271	-	(7,396)	15,875	10,498
	-----	-----	-----	-----	-----	-----
	41,578	41,578	-	(47,648)	(6,070)	11,845
	=====	=====	=====	=====	=====	=====
2023	44,291	44,291	(553)	(31,893)	11,845	
	=====	=====	=====	=====	=====	

**5. Officers' emoluments**

The officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association. Key management personnel consist of the Management Committee and the Director. Emoluments for this period are included in total emoluments for key management personnel.

No officer of the Association received emoluments greater than £60,000

	2024 £	2023 £
Emoluments payable to Director (excluding pension contributions)	92,575	84,000
	=====	=====
Total emoluments paid to key management personnel	92,575	84,000
	=====	=====

**6. Employee information**

Average number of full time equivalent persons employed during the year

	2023 No.	2022 No.
	15	15
	=====	=====
<b>Staff costs</b>	£	£
Wages and salaries	644,601	665,804
Social Security costs	69,543	71,226
Other pension costs	163,390	97,925
	-----	-----
	877,534	834,955
	=====	=====

REIDVALE HOUSING ASSOCIATION

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

<b>7. Interest payable and similar charges</b>	<b>2024</b>	<b>2023</b>
	£	£
Defined benefit pension charge	15,099	3,077
	=====	=====
<b>8. Surplus for the year</b>	<b>2024</b>	<b>2023</b>
	£	£
Surplus for the year is stated after charging:		
Depreciation – tangible owned fixed assets	876,847	926,271
Auditors' remuneration		
– audit services	11,400	10,650
	=====	=====

**9. Tax on surplus on ordinary activities**

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

<b>10. Non-current assets</b>	<b>Housing Properties Held for letting</b>	<b>Housing Properties in course of construction</b>	<b>Total</b>
	£	£	£
(a) Housing properties			
<b>Cost</b>			
At 1 April 2023	35,348,876	52,234	35,401,110
Additions	572,005	-	572,005
Disposals	(251,000)	-	(251,000)
Transfer	52,234	(52,234)	-
Impairment	(713,161)	-	(713,161)
	-----	-----	-----
As at 31 March 2024	35,008,954	-	35,008,954
	-----	-----	-----
<b>Depreciation</b>			
As at 1 April 2023	17,970,668	-	17,970,668
Charge for Year	857,832	-	857,832
Disposals	(226,552)	-	(226,552)
Impairment	(385,152)	-	(385,152)
	-----	-----	-----
As at 31 March 2024	18,216,796	-	18,216,796
	-----	-----	-----
<b>Net book value</b>			
As at 31 March 2024	16,792,158	-	16,792,158
	=====	=====	=====
As at 31 March 2023	17,378,208	52,234	17,430,442
	=====	=====	=====

Additions to housing properties include capitalised major repair costs to existing properties of £572,005 (2023: £284,851). All land and housing properties are heritable.

The Association is currently in the process of converting a store into letting accommodation.

REIDVALE HOUSING ASSOCIATION

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

	Office Premises/Land £	Commercial Premises £	Furniture & Fittings £	Total £
(b) Other tangible assets				
<b>Cost</b>				
At 1 April 2023	1,153,215	145,896	360,085	1,659,196
Additions	-	-	65,109	65,109
As at 31 March 2024	1,153,215	145,896	425,194	1,724,305
<b>Aggregate depreciation</b>				
As at 1 April 2023	1,135,553	145,896	336,325	1,617,774
Charge for Year	38	-	18,977	19,015
As at 31 March 2024	1,135,591	145,896	355,302	1,636,789
<b>Net book value</b>				
As at 31 March 2024	17,624	-	69,892	87,516
As at 31 March 2023	17,662	-	23,760	41,422

**11. Receivables:** Amounts falling due within one year

	2024 £	2023 £
Arrears of rent and service charges	405,651	365,028
<u>Less:</u> Provision for doubtful debts	(218,092)	(143,911)
	187,559	221,117
Other receivables	171,685	120,541
	359,244	341,658

**12. Payables:** amounts falling due within one year

	2024 £	2023 £
Trade payables	355,938	320,044
Rent received in advance	74,989	56,966
Other payables	60,977	52,500
Accruals and deferred income	403,585	463,469
	895,489	892,979

**REIDVALE HOUSING ASSOCIATION**

**NOTES to the FINANCIAL STATEMENTS (continued)**

**For the year ended 31 March 2024**

<b>13. Payables:</b> amounts falling due after more than one year	<b>2024</b>	<b>2023</b>
	£	£
Liability for past service contributions	704,212	333,595
	=====	=====

<b>14. Statement of cash flows</b>	<b>2024</b>	<b>2023</b>
	£	£
Operating (deficit)/surplus	(242,150)	293,229
Depreciation	876,847	926,271
Amortisation of capital grants	(999,364)	(702,504)
Impairment	328,009	-
Change in debtors	(17,586)	67,294
Change in creditors	2,510	(22,980)
Net pension liability movement	4,966	(79,872)
Cancelled shares	(19)	(51)
	-----	-----
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(46,787)</b>	<b>481,387</b>
	=====	=====

**15. Deferred income**

**Social housing grants**

As at 1 April 2023	15,332,402	£
Additions in the year	-	
Eliminated on disposal of components	(53,813)	
Amortisation in the year	(608,568)	
Impairment	(336,983)	
	-----	
As at 31 March 2024	14,333,038	
	=====	

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

	<b>2024</b>	<b>2023</b>
	£	£
Amounts due within one year	608,568	657,091
Amounts due in one year or more	13,724,470	14,675,311
	-----	-----
	14,333,038	15,332,402
	=====	=====

**16. Share capital**

	<b>2024</b>	<b>2023</b>
	£	£
Shares of £1 each issued and fully paid		
As at 1 April 2023	449	490
Issued in year	26	10
Cancelled in year	(19)	(51)
	-----	-----
At 31 March 2024	456	449
	=====	=====

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.

**REIDVALE HOUSING ASSOCIATION**

**NOTES to the FINANCIAL STATEMENTS (continued)**

**For the year ended 31 March 2024**

<b>17. Housing stock</b>	<b>2024</b>	<b>2023</b>
	No.	No.
The number of units of accommodation in management at the year end was:		
General needs – new build	128	128
General needs – rehabilitation	726	725
Supported housing	44	44
	-----	-----
	<b>898</b>	<b>897</b>
	=====	=====

**18. Related party transactions**

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

Those members who are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their position to their advantage. Any transactions between the Association and any entity with which a Management Committee member has a connection with is made at arm's length and is under normal commercial terms.

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

	<b>2024</b>	<b>2023</b>
	£	£
Rent charged to tenants on the Management Committee and their close family		
Members	38,989	33,215
	=====	=====
Factoring charges to factored owners on the Management Committee	540	-
	=====	=====

At the year end total arrears owed by the tenant members on the Management Committee and their close family were £2,778 (2023: £80).

	<b>2024</b>	<b>2023</b>
	No.	No.
Members of the Management Committee who are tenants	9	4
Members of the Management Committee who are factored owners	1	-
	=====	=====



# REIDVALE HOUSING ASSOCIATION

## NOTES to the FINANCIAL STATEMENTS (continued)

### For the year ended 31 March 2024

#### 19. Details of Association

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

The Association's principal place of business is 13 Whitevale Street, Glasgow, G31 1QW.

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

#### 20. Management Committee Member emoluments

Management Committee members received £nil (2023: £nil) in the year by way of reimbursement of expenses. No remuneration is paid to Management Committee members in respect of their duties to the Association.

#### 21. Retirement benefit obligations

##### General

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £27m. A recovery plan was put in place to eliminate the deficit which ran to 30 September 2022.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 28 February 2025 inclusive.

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

	2024	2023
	£	£
Fair value of plan assets	4,968,000	5,292,000
Present value of defined benefit obligation	(5,671,000)	(5,623,000)
Defined benefit liability	(703,000)	(331,000)
	=====	=====

**REIDVALE HOUSING ASSOCIATION**

**NOTES to the FINANCIAL STATEMENTS (continued)**

**For the year ended 31 March 2024**

**21. Retirement benefit obligations (cont.)**

<b>Reconciliation of opening and closing balances of the defined benefit obligation</b>	<b>2024 £</b>
Defined benefit obligation at start of period	5,623,000
Current service cost	6,000
Expenses	8,000
Interest expense	272,000
Member contributions	24,000
Actuarial (gains) due to scheme experience	(82,000)
Actuarial (gains) due to changes in demographic assumptions	(35,000)
Actuarial (gains) due to changes in financial assumptions	25,000
Benefits paid & expenses	(170,000)
	-----
Defined benefit obligation at end of period	5,671,000 =====

<b>Reconciliation of opening and closing balances of the fair value of plan assets</b>	<b>2024 £</b>
Fair value of plan assets at start of period	5,292,000
Interest income	257,000
Experience on plan assets (excluding amounts included in interest income) – (loss)	(467,000)
Employer contributions	32,000
Member contributions	24,000
Benefits paid & expenses	(170,000)
	-----
Fair value of plan assets at end of period	4,968,000 =====

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was (£210,000).

<b>Defined benefit costs recognised in statement of comprehensive income</b>	<b>2024 £</b>
Current service cost	6,000
Expenses	8,000
Net interest expense	15,000
	-----
Defined benefit costs recognised in statement of comprehensive income	29,000 =====

## REIDVALE HOUSING ASSOCIATION

### NOTES to the FINANCIAL STATEMENTS (continued)

#### For the year ended 31 March 2024

21. Retirement benefit obligations (cont.)	2024 £
<b>Defined benefit costs recognised in other comprehensive income</b>	
Experience on plan assets (excluding amounts included in net interest cost) – (loss)	(467,000)
Experience gains and losses arising on the plan liabilities - gain	82,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	35,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	(25,000)
Rounding	-
	-----
Total amount recognised in other comprehensive income – (loss)	(375,000)
	=====

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

On 4 May 2023, the Scheme Trustee issued an update to employers which included an estimate of the potential additional liabilities at the full scheme level, on a Technical Provisions basis. However, until Court directions are received, it is not possible to calculate the impact on an individual employer basis with any accuracy. As a result of this, no provision will be made for the potential additional liabilities within the financial statements or the related accounting disclosures included in this note.

#### **Scheme: The Growth Plan**

The Association 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 Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 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 has asked the participating employers to pay additional contributions to the scheme as follows:

#### **Deficit contributions**

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From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

## REIDVALE HOUSING ASSOCIATION

### NOTES to the FINANCIAL STATEMENTS (continued)

#### For the year ended 31 March 2024

#### 21. Retirement benefit obligations (cont.)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. 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 2019 to 30 September 2025:	£11,243,000 per annum increasing by 3% each on 1st April	(payable monthly and
---	---	----------------------

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 Association has agreed to a deficit funding arrangement the Association 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.

#### **Reconciliation of Opening and Closing Provisions**

	<b>Period Ending 31 March 2024 (£s)</b>	<b>Period Ending 31 March 2023 (£s)</b>
Provision at start of period	2,595	4,070,101
Unwinding of the discount factor (interest expense)	77	77
Deficit contribution paid	(1,483)	(1,483)
Remeasurements - impact of any change in assumptions	1	(69)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	1,212	2,595

**REIDVALE HOUSING ASSOCIATION**

**NOTES to the FINANCIAL STATEMENTS (continued)**

**For the year ended 31 March 2024**

**21. Retirement benefit obligations (cont.)**

**INCOME AND EXPENDITURE IMPACT**

	<b>Period Ending 31 March 2024 (£s)</b>	<b>Period Ending 31 March 2023 (£s)</b>
Interest expense	99	77
Remeasurements – impact of any change in assumptions	1	(69)
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

\*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

**Assumptions**

	<b>31 March 2024 % per annum</b>	<b>31 March 2023 % per annum</b>	<b>31 March 2022 % per annum</b>
Rate of discount	5.31	5.52	2.35

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.