

NEW GORBALS HOUSING ASSOCIATION LTD

REPORT AND 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 2309RS
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered Number HAL211
Charity Number	SC041164

New Gorbals Housing Association Ltd
Committee of Management, Executives and Advisors
For the year ended 31 March 2025

Management Committee

(Chairperson)	J. Miller
(Secretary)	Iain McCreaddie
(Vice Chair)	Aaron Reilly
(Member)	E. Peden
(Member)	Kirsten Adams-MacKenzie
(Member)	S. Mandaniya
(Member)	R. Shannon
(Member)	L. Malone
(Member)	P. McKeever
(Member)	M. Clark
(Member)	C.A. Duffy
(Member)	T. Smart (resigned December 2024)
(Member)	M. McEnroe (appointed September 2024)
(Member)	A. Donat (appointed September 2024)
(Member)	P. Pikula (appointed September 2024)
(Member)	C. Docherty (co-optee)
(Member)	I. Galloway (resigned April 2024)

Executive Officers

Fraser Stewart – Director
Mary Reilly – Head of Finance
Simon Metcalfe – Head of Development
Tracey McCauley – Head of Maintenance
Gregor Colville – Head of Housing
Chris Rothnie – Head of Governance and Communications

Registered Office

200 Crown Street
Glasgow
G5 9AY

Auditor

RSM UK Audit LLP
Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

Internal Auditor

Quinn Internal Audit
GF 4 Grosvenor Gardens
Edinburgh
EH12 5JU

Bankers

Bank of Scotland
167-201 Argyle Street
Glasgow
G2 8BU

Solicitors

T C Young
7 West George Street
Glasgow
G2 1BA

New Gorbals Housing Association Ltd
Report of the Committee of Management
For the year ended 31 March 2025

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

Principal Activities

The principal activity of the Association is the provision of social housing:

- to improve the quality of the housing and management service for the people of the Gorbals area;
- to consolidate tenant control and involvement in the Association;
- to contribute to meeting the needs of people living in the Gorbals area;
- to provide housing at affordable and sustainable rent levels; and
- to develop through conversion and new buildings, other types of housing such as those for older and single people, and for those seeking low cost home ownership.

The Association has a wholly owned subsidiary, New Gorbals Property Management Ltd, the principal activities of which are management of mid-market ranked properties that are owned by the Association.

Our Vision & Values

Our vision and values underpin our business, our organisational culture and how we operate. They reflect our strong commitment to community empowerment, high standards of service, and social responsibility; and they emphasise the importance of delivering exceptional housing and services whilst actively contributing to the regeneration and well-being of the Gorbals community.

Our Vision

- To provide the highest possible quality housing environment and services to all our customers whilst maximising our contribution to the overall regeneration of the Gorbals and addressing, wherever possible, the needs of those in the community who experience disadvantage.

Our Values

- To be representative of, and accountable to, the Gorbals community.
- To be accessible and equitable, treating every individual with courtesy and respect.
- To be innovative and creative, delivering the best possible outcomes for our community.
- To be focused on delivering customer-centric services which are collaboratively designed.

Our Achievements

During 2024 to 2025, the Association planned for the blowdown of 305 and 341 Caledonia Road. Demolition took place on 29th June 2025. Community consultation for the future development of the site took place in late 2024, with initial designs further developed over the course of the year. The Association plan for works to begin on 152 homes for social rent on the site of the former blocks in January 2026.

This year we revised our Tenant Participation Strategy and held our first tenants conference since Covid. We also reviewed and updated our Business Plan for 2025 to 2030.

Our tenant portal launched in late March 2025 and over 600 tenants had signed up by June. This portal will be rolled out to owners in Autumn 2025. Our initial business improvement project will come to an end in Summer 2025, but we have now imbedded business improvement into our day to day operations, with enhancement of digital and artificial intelligence capabilities a priority.

Our new and improved website launched in April 2025 and this along with other pipeline developments will, in the fullness of time, allow us to take online housing applications and expand our digital service through our tenant and owner portal.

Our Wider Action teams continue to engage with the community, with food poverty and tenancy sustainment remaining a priority.

New Gorbals Housing Association Ltd
Report of the Committee of Management
For the year ended 31 March 2025

Grant has been received to allow us to modernise void properties to allow these empty homes to return to the letting pool.

Investment Activity

The Association will continue to invest in our stock while looking towards a sustainable future. Our ongoing commitment to detailed stock condition surveys within all of our properties will allow us to accurately identify and plan for component replacements and our fabric first approach will enable us to prioritise long-term improvements. Taking a fabric first approach will not only enhance energy efficiency but help to reduce future maintenance costs.

New Build

The Association's development programme made good progress in the year to 31st March 2025.

The 28 units in Pine Place, Hutchesontown, were nearly completed (handover due in July 2025), and site operations began in March 2025 for the 64 units at the Coliseum site in Laurieston (completion due in September 2026).

The contract for the explosive demolition of the two high rise blocks on Caledonia Road, comprising 276 flats, was let in December 2024. The contract is progressing well, and will complete in March 2026. The proposal to redevelop the cleared site with 152 homes was submitted for planning in January 2025, and should commence as soon as the site is cleared of the debris from the explosive blowdown.

Stock Investment

The Association will continue to invest in and upgrade our stock to ensure it retains asset value.

The Association's integrated Asset Management system is complete and providing maintenance with information that allows a more targeted approach to investment.

Housing Review

The reporting year of 2024/25 was a return to business-as-usual following several years of high inflation, the cost-of-living crisis and the clearance of the multi-storey flats at Caledonia Road ready for demolition.

Glasgow City Council and the Scottish Government declared a Homelessness Crisis and the Association was successful in securing over £300k in grant funding from the city council to modernise some long-term void properties for allocation to homeless households.

While there were some changes in the personnel of the housing services team, Housing Officers continued to operate the generic delivery model on smaller patches and deliver outstanding core services to tenants including rent arrears, allocations and estate & neighbourhood management. Our decision to introduce the generic delivery model, in the previous year, was vindicated following our large Tenant Satisfaction Survey in the Summer 2024 which demonstrated significant increases across the full range of satisfaction indicators, including that over 95% of tenants were satisfied with the overall service provided by NGH, an increase of 7% on the previous survey in 2021.

Our Tenant Participation & Engagement Strategy was launched at our revitalised Tenant Conference in early winter of the reporting period. The success of the event was testament to the impressive work done by our Tenant Participation Officer, the Wider Action Team and the continued engagement of our tenants and service users to work together with the Association to improve the service. We now have several engagement vehicles that tenants and others can access including a Tenant Panel, Scrutiny Panel and variety of more local neighbourhood groups to influence and shape how the Association delivers services.

Our Factoring Team continued to grow in both personnel and in stock size with several new private developments within the Gorbals area coming under the team's management, taking the total factoring stock to just under 2,000. An owner's satisfaction survey was also undertaken in 2024/25 which

New Gorbals Housing Association Ltd
Report of the Committee of Management
For the year ended 31 March 2025

demonstrated 87% of owners were satisfied with the factoring service they received, a 13% increase on the previous survey, and way above the Scottish average.

We allocated 164 properties in the year, a decrease on the previous year which was above 200. Arrears performance continued to improve, and we saw a significant decrease in our overall arrears position from 4.3% in 2023/24 to 3.3% at year-end 2024/25.

Performance

The table below summarises the Association's performance against key performance indicators for 2024 to 2025.

Indicator	Target 2024/25	Outturn Performance 2024/25
Void rent loss	0.4%	0.3%
Gross rent arrears	4%	3.38%
Average length of time to relet	20	15.48 days
Percentage of emergency repairs complete within target	98%	99%
Average timescale – non-emergency repairs	90%	92%
Total Electrical safety checks complete	136	355
Annual gas safety inspections	1,942	2,463

Financial Review

Turnover of £18,598,461 (2024: £18,120,992) relates to the income from the letting of properties at affordable rents and the provision of factoring services.

Operating surplus for the year was £2,334,075 (2024: £3,008,144). SPF pension asset was £2,801,000 with SHAPS pension liability being (£849,000) resulting in a pension assets of £1,952,000. Note 21 in these accounts gives further details of the breakdown of these figures and also see impact of accounting changes section below.

Financing and Liquidity

No further loans were drawn during 2024/2025 (2024: £nil). Under the terms of the financing agreement, there are a number of 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.

All covenants are met and regularly reviewed by the Committee of Management.










Treasury Management

The Association has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Committee of Management. In this way the Association manages its borrowing arrangements to ensure that it is always in a position 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 into transactions of a speculative nature. At 31 March 2025 £47.2m (82%) (2024 £47.9m (81%)) of borrowings were subject to fixed rates of interest in excess of two years.

Strategic Risk Assessment

The Association holds a comprehensive Risk Register and the following listing is our top 10 risks as identified in the latest Risk Review.

No.	Risk	Residual risk score	NGHA Forward Planning
1	Economic conditions remain poor or deteriorate (post Covid19, Brexit, Cost of Living and international conflicts / events)	20 	Focus on contingency planning, good liquidity, and control of operating costs
2	Costs increase in future due to energy efficiency/ net zero carbon housing requirements and changes to building standards.	20 	Engage in consultations/ lobby via GWSF to assess any forthcoming proposals and maximise associated grant funding for RSLs.
3	Repairs and replacement element costs increase above levels allowed for in Business Plan	20 	Improve reporting. Continuously assess future requirements for parts and materials, as firmer information about prospects for future trade conditions become clearer
4	Major tenant health and safety, or housing stock disaster	20 	Complete ongoing fire risk assessments of all relevant stock with clear strategy for following up on subsequent actions. Ensure completion of the ongoing locally informed stock condition survey which incorporates detailed knowledge of our buildings, refurbishment plans, and contractor/builder information. Commission structural report on stock where necessary. Review and test Disaster Planning Policy and Procedures
6	Employer pension contributions continue to increase and have negative impact on NGHA finances.	16 	Ongoing review of current arrangements. Rationalisation of DC scheme offering. Ensure MC continues to receive independent advice.
7	Major data protection breach (e.g. unauthorised disclosure loss of sensitive data, fraud, cyber-attack)	16 	Review of effectiveness of GDPR policies and procedures Regular briefings for finance staff Anti-Fraud and Bribery Training for Staff & Committee
8	Financial position does not adequately support future obligations and strategic aspirations.	16 	Financial profiling of future development opportunities
9	Development <ul style="list-style-type: none"> Significant delay to clearance, re-provisioning and demolition strategy for Caledonia Rd Contractor liquidation Major Site Incident or Accident 	15 	Conclude bulk purchase and achieve site start dates for new build projects. Maximise opportunities for re-housing. Secure required site acquisitions and development programme. Review and update Contractor Liquidation Policy and Procedures as required. Develop formal Risk Assessment Procedures for very low tender.
10	Failure to comply with loan covenants.	20 	Research on future funding options to be conducted with professional advice. Continually test Business Plan and financial results against loan requirements

Economic conditions and a renewed focus on tenant safety has led to all top 10 risks increasing in our priority rankings.

Future Developments

The Association is working on plans for the provisioning programme for 305 and 341 Caledonia Road. We have identified sites and are currently working on plans.

Credit Payment Policy

The Association's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The Association's standard payment terms are 30 days.

Maintenance Policies

The Association maintains 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 Statement of Comprehensive Income.

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. In line with the SORP, replacements to building components (as identified in Note 1) are capitalised in the accounts as they occur. All other major repairs are charged to the Statement of Comprehensive Income.

Employee Involvement and Health & Safety

The Association encourages employee involvement in all major initiatives.

Quality and Integrity of Personnel

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through the Director.

Going Concern

The Committee of Management has reviewed the results for this year, the projections for the next five years and the effects of the current economic inflationary pressures on the financial statements. The Committee of Management have reviewed our short and longer term plans, including scenario planning. The Committee of Management have deemed that there will be no material impact on the Association's ability to continue as a going concern and for this reason, the going concern basis has been adopted in these financial statements.

The assets and liabilities contained in these financial statements are not deemed to be impaired as a result of financial projections. Impairment of units cleared in 305/341 Caledonia Road clearance programme, have been included in these accounts.

Budgetary Process

Each year the Committee of Management approves the annual budget and rolling five year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Committee of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

Rental income

The Association's Rent Policy is a points system 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 within the Association's properties. The point's value is reviewed annually to ensure that the

New Gorbals Housing Association Ltd
Committee of Management's Statement of Responsibilities and Internal Financial Controls
For the year ended 31 March 2025

rents cover the required costs. This policy follows the generally accepted practice/principles of the Housing Movement.

Our equality policy statement

New Gorbals Housing Association is committed to promoting cultural values that promote social justice. We are committed to:

- eliminating unlawful and unfair forms of discrimination; and
- promoting equal opportunity objectives.

Disclosure of Information to the Auditor

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

Auditor

A resolution for the reappointment of RSM UK Audit LLP as auditors of the Association will be proposed at the Annual General Meeting.

By Order of the Committee of Management



Secretary
Ian McCreddie

Date: 18/09/25

New Gorbals Housing Association Ltd
Committee of Management's Statement of Responsibilities and Internal Financial Controls
For the year ended 31 March 2025

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Committee of Management 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 for that period. In preparing these financial statements, the Committee of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Committee of Management is responsible for instituting adequate systems of internal control and for:

- safeguarding assets
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Committee of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Housing Associations Determination of Accounting Requirements 2019.

New Gorbals Housing Association Ltd
Committee of Management's Statement of Responsibilities and Internal Financial Controls
For the year ended 31 March 2025

The Committee of Management is responsible for the maintenance and integrity of the corporate and financial information included on the New Gorbals Housing Association website.

The Committee of Management 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 Committee of Management's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable, and not absolute, assurance against material financial mis-statement or loss or failure to meet objectives. Key elements of the Association's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for the 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 Committee of Management to monitor the key business risks, financial objectives and progress being made towards achieving the financial plans set for the year and for the medium term;
- monthly/quarterly management accounts 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 Committee of Management;
- Committee of Management receives reports from management and from the external and internal auditors, to provide reasonable assurance that control procedures are in place and are being followed, and that a general review of the major risks facing the Association is undertaken; and
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal and external audit reports.
- an internal auditor has appointed in accordance with the requirements of Guidance Note 97/06. An audit plan was set and completed for the year. The results of the work confirm that the Association has satisfactory procedures for managing its finances.

The effectiveness of the Association's system of internal financial control has been reviewed by the Committee of Management for the year ended 31 March 2025. No weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in these financial statements or in the auditor's report on the financial statements.

By Order of the Committee of Management

Secretary

Date: 18/09/25

New Gorbals Housing Association Ltd
Report by the auditors to the members of New Gorbals Housing Association Ltd on
Corporate Governance Matters
For the year ended 31 March 2025

In addition to our audit of the Financial Statements, we have reviewed your statement on page 10-11 concerning the Association's compliance with the information required by the Regulatory Standards 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 Committee of Management 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 10 has provided the disclosures required by the relevant Regulatory Standards 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.

RSM UK Audit LLP

RSM UK AUDIT LLP
Statutory Auditor
Chartered Accountants
Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

Date: 18/09/25

New Gorbals Housing Association Ltd
Independent Auditors Report to the Members of New Gorbals Housing Association Ltd
For the year ended 31 March 2025

Opinion

We have audited the financial statements of New Gorbals Housing Association Ltd (the 'Association') for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows and notes to the financial statements, including 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;
- 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 – February 2019.

Basis for opinion

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Co-operative and Community Benefit Societies Act 2014 and report in accordance with regulations made under those acts.

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 Committee of Management'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 Committee of Management with respect of 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 Committee of Management 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.

Opinion on other matters under the Co-operative and Community Benefit Societies Act 2014

In our opinion, the following continued to apply throughout the year of account:

- the reason given by Committee of Management in respect of a previous year of account for all subsidiaries to not be dealt with in the financial statements (having been approved by the FCA under section 99, subsection (3)); and
- The grounds given by the Committee of Management for that reason.

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 section 75; or
- a satisfactory system of control over transactions has not been maintained by the association in accordance with section 75; or
- the income account and the balance sheet are not in agreement with the books of account of the association; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we consider necessary for the purposes of our audit.

Responsibilities of the Committee of Management

As explained more fully in the Statement of Committee of Management's responsibilities set out on page 10-11, the Committee of Management is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Committee of Management 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 Committee of Management 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 Committee of Management either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

New Gorbals Housing Association Ltd
Independent Auditors Report to the Members of New Gorbals Housing Association
For the year ended 31 March 2025

However, it is the primary responsibility of management, with the 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;
- 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 the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Scottish Housing Acts, the Housing SORP, the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019 the Co-operative and Community Benefit Society Act. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are the Housing (Scotland) Acts 2006, 2010, 2014, the Co-operative and Community Benefit Societies Act 2014, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Scottish Housing Regulator's regulatory framework and the Data Protection Act.

The audit engagement team identified the risk of management override of controls and the existence, completeness and valuation of income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluation the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, in relation to management override of internal controls. Audit procedures in relation to assertion of risk for income included but were not limited to substantive analytical review to test the grant and rental income that was recognized, selecting a sample of rental income to assess whether it was recognized in accordance with rent review letters or signed tenancy agreements which agree to the housing management system and corroborating a sample of other income to supporting documentation.

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

New Gorbals Housing Association Ltd
Independent Auditors Report to the Members of New Gorbals Housing Association
For the year ended 31 March 2025

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 the Charities and Trustee Investment (Scotland) 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.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

Date: 18/09/25

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

New Gorbals Housing Association Limited
Statement of Comprehensive Income
For the year ended 31 March 2025

	Notes	2025 £	2024 £
Turnover	2	18,598,461	18,120,992
Operating expenditure	2	<u>(16,264,386)</u>	<u>(15,112,848)</u>
Operating Surplus		2,334,075	3,008,144
Gain on disposal of property, plant and equipment	9	(8,074)	(114,808)
Interest receivable	6	640,785	518,166
Interest and financing costs	7	(2,024,260)	(2,047,441)
Pension Interest Income	21	165,000	56,000
Deficit Before Tax		<u>1,107,527</u>	<u>1,420,061</u>
Taxation	24	-	-
Deficit for the Year		<u>1,107,527</u>	<u>1,420,061</u>
Actuarial gain/(loss) in respect of pension schemes	21	<u>641,000</u>	<u>45,000</u>
Total Comprehensive Income for the Year		<u>1,748,527</u>	<u>1,465,061</u>

The accompanying notes form part of these financial statements.

New Gorbals Housing Association Limited
Statement of Financial Position
As at the 31 March 2025

	Notes	2025 £	2024 £
Fixed Assets			
Intangible Fixed Assets	11.C	307,400	489,072
Housing properties	11.A	174,674,741	162,749,294
Other fixed assets	11.B	4,444,379	4,546,228
Investment in subsidiary	11.D	1	1
		<u>179,426,521</u>	<u>167,784,595</u>
Current Assets			
Trade and other debtors	12	3,547,909	2,221,511
Investments	11.E	-	1,247,720
Cash and cash equivalents		<u>12,572,747</u>	<u>14,677,799</u>
		<u>16,120,656</u>	<u>18,147,030</u>
Current Liabilities			
Creditors: amounts falling due within one year	13	<u>(9,059,575)</u>	<u>(8,247,200)</u>
Net Current Assets		<u>7,061,081</u>	<u>9,899,830</u>
Total Assets Less Current Liabilities		<u>186,487,602</u>	<u>177,684,425</u>
Creditors: Amounts falling due after more than one year	14	(147,139,743)	(139,322,825)
Provisions for liabilities:			
Pension provision:	21		
SHAPS – Defined Benefit Funding Liability		(849,000)	(1,001,000)
SPF – Defined Benefit Funding Asset		2,801,000	2,206,000
Other provisions	17	<u>(45,401)</u>	<u>(60,691)</u>
		<u>(145,233,144)</u>	<u>(138,178,516)</u>
Total Net Assets		<u>41,254,458</u>	<u>39,505,909</u>
Reserves			
Income and expenditure reserve	18	41,254,321	39,505,794
Share Capital	18	137	115
Total Reserves		<u>41,254,458</u>	<u>39,505,909</u>

The financial statements on pages 16 to 46 were approved by the Committee of Management and authorised for issue on 1st September 2025. and are signed on its behalf by:

Committee member

Committee member

Secretary

New Gorbals Housing Association Limited
Statement of Changes in Equity
For the year ended 31 March 2025

	Share Capital	Income and expenditure reserve	Total
	£	£	£
Balance as at 1 April 2023	71	38,040,733	38,040,804
Issue of shares	50	-	50
Cancellation of shares	(6)	-	(6)
Surplus for the year	-	1,465,061	1,465,061
Actuarial gain	-	-	-
Balance as at 31 March 2024	115	39,505,794	39,505,909
Balance as at 1 April 2024	115	39,505,794	39,505,909
Issue of shares	28	-	28
Cancellation of shares	(6)	-	(6)
Surplus for the year	-	1,107,527	1,107,527
Actuarial gain	-	641,000	641,000
Balance as at 31 March 2025	137	41,254,321	41,254,458

New Gorbals Housing Association Limited
Statement of Cashflows
For the year ended 31 March 2025

	Notes	2025 £	2024 £
Net cash generated from operating activities	19	4,398,433	4,368,968
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of intangible fixed assets		(115,668)	(158,712)
Purchase of tangible fixed assets		(16,307,018)	(8,577,654)
Proceeds from sale of tangible fixed assets		-	-
Grants received		11,426,772	5,260,580
Purchase of Investments		-	-
Interest received		640,785	518,166
Net Cash used in Investing Activities		<u>(4,355,129)</u>	<u>(2,957,620)</u>
Cash Flow from Financing Activities			
Issue of share capital		28	50
Interest paid		(2,024,260)	(2,313,650)
New secured loans		-	-
Repayments of borrowings		(1,371,844)	(1,155,599)
Net Cash Used in Financing Activities		<u>(3,396,076)</u>	<u>(3,469,199)</u>
Increase/(Decrease) in Cash and Cash Equivalents		<u>(3,352,772)</u>	<u>(2,057,851)</u>
Cash and Cash Equivalents at Beginning of Year		<u>15,925,519</u>	<u>17,983,370</u>
Cash and Cash Equivalents at End of Year	19	<u>12,572,747</u>	<u>15,925,519</u>

1. ACCOUNTING POLICIES

Legal Status

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010.

The address of the Association's registered office, and principle place of business, is 200 Crown Street, Glasgow G5 9AY.

New Gorbals Housing Association Limited meets the definition of a Public Benefit Entity.

Basis of Accounting

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and comply with the Determination of Accounting Requirements 2019.

The financial statements are prepared in Sterling (£).

Basis of consolidation

The Association and its subsidiary undertaking comprise a group. The Financial Conduct Authority has granted exemption from preparing group financial statements. The accounts therefore represent the results of the Association and not the group.

Critical Accounting Estimates and Areas of Judgement

Preparation of the financial statements requires management to make critical judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included below.

Critical accounting estimates

Useful lives of housing property - management reviews its estimate of the useful lives of depreciable assets at each reporting date based on industry averages and our review of our stock. Uncertainties in these estimates relate to the length of time certain components in our homes will last, with varying levels of use potentially lengthening or shortening the lives of these components.

Recoverable amount of rent arrears and debtors – management considers the reasonable likelihood of rent arrears and debtors being recoverable based on past experience. While every effort is made not to over-estimate the amounts which will be recovered by the Association in the future, the actual amounts which might be received are often out of the Associations' control.

Obligations under a defined benefit pension scheme

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 21). The net defined benefit pension asset at 31 March 2025 was £1,205,000.

Going Concern

The current cost of living crisis has seen increases in energy, interest rates and materials costs.

The Associations rent increase of 7% for 2024 to 2025 was around half the inflation rate when Committee consulted (November/December 2022). This increase will ensure we can keep to our plans in relation to repairs, stock investment and New Build.

Committee reviewed the Business Plan, which included these increase costs and contingencies, and there are reasonable expectations that the Association has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparation of the annual financial statements.

The Association's independent review of our Business Plan cashflow (including the demolition) has proven that the Association is a going concern for the next 30 years.

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

Turnover and Revenue Recognition

Turnover relates to the income from the letting of properties at affordable rents, together with revenue grants receivable in the period. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met.

Government Grants

Government grants include grants receivable from the Scottish Government, local authorities and other government bodies. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Reasonable assurance is normally obtained when the grant has been awarded in writing.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, then any unamortised grant remaining is derecognised as a liability and recognised as income. Where there is a requirement to repay a grant a liability is included in the Statement of Financial Position to recognise this obligation

Other Grants

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

Intangible Fixed Assets

Intangible fixed assets are initially measured at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible fixed assets are amortised to profit or loss on a straight-line basis over their useful lives as follows:

Computer software - 4 years.

Tangible Fixed Assets – Housing Properties

Housing properties are properties for the provision of social housing or to otherwise provide social benefit and are principally properties available for rent and shared ownership.

Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring land and buildings, and expenditure incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs; or
- A significant extension to the life of the property.

Depreciation of Housing Properties

Freehold land or assets under construction are not depreciated.

The Association separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight line basis over the following years:

Land	Nil
Assets under construction	Nil
Structure	50 years
Windows	45 years
Central Heating pipework	45 years
Roof	40 years
Lifts	30 years
Bathrooms	25 years
District Boilers	15 years
Electric Heating	15 years
Boilers	15 years
Kitchens	15 years
Over bath Showers	7 years

Impairment of Fixed Assets

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the RSL estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the Statement of Comprehensive Income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Sales of Housing Accommodation

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, except for first tranche sales. Any grants received that cannot be repaid from the proceeds

of sale are abated and the grants removed from the financial statements.

First tranche Share Ownership disposals are credited to turnover on completion, the cost of construction of these sales is taken to operating costs. Disposals of subsequent tranches are treated as fixed asset disposals with the gain or loss on disposal taken to the Statement of Comprehensive Income, in accordance with the Statement of Recommended Practice.

Other Tangible Fixed Assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Freehold Property	over 50 years
Computers and office equipment	over 4 years
Furniture, fixtures and fittings	over 4 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition and construction of qualifying properties are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

All other borrowing costs are expensed as incurred on an effective interest rate basis.

Taxation

The Association has charitable status and is registered with the Office of Scottish Charities Regulator and is therefore exempt from paying Corporation Tax on charitable activities.

Value Added Tax (VAT)

The Association is VAT registered, however a large proportion of income, namely rents, is exempt for VAT purposes therefore giving rise to a Partial Exemption calculation. Expenditure is shown inclusive of VAT.

Deposits and Liquid Resources

Cash comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying value.

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Employees are entitled to carry forward up to 5 days of any unused holiday entitlement. The Association has suspended its flexi system during the period when staff are working from home. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the RSL is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement Benefits

Defined benefit plans

The Association participates in two funded multi-employer defined benefit schemes, the Scottish Housing Association Pension Scheme (SHAPS) and the Strathclyde Pension Fund (SPF).

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period within the income and expenditure account. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income. Refer to Note 21 for more details.

For defined benefit schemes the amount charged to the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs.

Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency.

A pension scheme asset is recognised in the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

Financial Instruments

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument and are offset only when the Association currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Lease Policy

All leases are operating leases and the annual rents are charged to the Statement of Comprehensive Income on a straight line basis. Operating Lease are in operation for the leasing of 63 Mid Market Rented Units to New Gorbals Property Management Ltd.

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the

impairment loss was recognised, are recognised immediately in income and expenditure.

Financial liabilities

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Commitments to receive a loan are measured at cost less impairment.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Provisions

Provisions are recognised when the RSL has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2025

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

	Notes	Turnover £	Operating costs £	2025 Operating Surplus £	2024 Operating Surplus £
Affordable letting activities	3	16,171,396	13,727,429	2,443,967	3,094,340
Other activities	4	2,427,065	2,536,957	(109,892)	(86,196)
Total		18,598,461	16,264,386	2,334,075	3,008,144
Total for previous reporting period		18,120,992	(15,112,848)	3,008,144	

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

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

	General Needs Social Housing £	Supported Social Housing Accommodation £	Shared Ownership Housing £	Total 2025 £	Total 2024 £
Rent receivable net of service charges	12,404,273	60,370	39,729	12,504,372	11,578,334
Service charges	681,330	3,197	10,364	694,891	651,105
Gross income from rents and service charges	13,085,603	63,567	50,093	13,199,263	12,229,439
Less voids	(38,941)	-	-	(38,941)	(94,182)
Net income from rents and service charges	13,046,662	63,567	50,093	13,160,322	12,135,257
Grants released from deferred income	2,380,004	-	16,468	2,396,472	2,328,856
Revenue grants received from Scottish ministers	614,602	-	-	614,602	1,345,640
Total turnover from affordable letting activities	16,041,268	63,567	66,561	16,171,396	15,809,753
Management and maintenance administration costs	2,690,859	1,961	18,632	2,711,452	3,146,043
Service costs	2,697,178	1,966	18,676	2,717,820	2,757,859
Planned and cyclical maintenance including major repairs costs	1,108,663	803	-	1,109,466	847,383
Reactive maintenance costs	2,715,941	1,976	14,250	2,732,167	2,803,429
Bad debts - rents and service charges	110,302	-	-	110,302	(83,720)
Depreciation of affordable let properties	4,334,169	3,144	8,909	4,346,222	3,244,419
Impairment of affordable let properties	-	-	-	-	-
Operating Costs for affordable letting activities	13,657,112	9,850	60,467	13,727,429	12,715,413
Operating surplus or deficit for affordable letting activities	2,384,156	53,717	6,094	2,443,967	3,094,340
Operating surplus or deficit or affordable letting activities for previous reporting period	3,090,133	-	4,207	3,094,340	

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

4. 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 or deficit £	Operating surplus or deficit for previous reporting period £
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	-	302,355	-	-	302,355	-	511,241	(208,886)	(216,943)
Care and repair	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	1,617,014	1,617,014	15,138	1,645,317	(43,441)	(43,475)
Care activities	-	-	-	-	-	-	-	-	-
Contracted out activities undertaken for registered social landlords	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to other organisations	-	-	-	-	-	-	-	-	-
Gift aid distribution from subsidiary	-	-	-	124,384	124,384	-	-	124,384	128,158
Rental from mid-market properties and management charges income	-	-	-	327,392	327,392	-	315,966	11,426	35,005
Other activities	-	-	-	55,920	55,920	-	49,295	6,625	11,059
Total from other activities	-	302,355	-	2,124,710	2,427,065	15,138	2,521,819	(109,892)	(86,196)
Total from other activities for the previous reporting period	-	473,763	-	1,837,476	2,311,239	15,138	2,382,297	(86,196)	

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

5. ACCOMMODATION IN MANAGEMENT

	2025	2024
	Units	Units
General needs housing	2,744	2,719
Shared ownership	19	19
Supported housing		-
TOTAL UNITS IN MANAGEMENT	2,763	2,738

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2025	2024
	£	£
Interest on bank deposits	592,889	518,166
Interest on Pensions	165,000	56,000

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2025	2024
	£	£
Interest arising on:		
Bank loans and overdrafts	2,358,207	2,383,321
Defined benefit pension charges		
Less: Interest capitalised on housing properties under construction	(333,947)	(335,880)
	2,024,260	2,047,441

8. OPERATING SURPLUS

	2025	2024
	£	£
Operating surplus is stated after charging:		
Depreciation of housing properties (note 11.A)	4,346,222	3,244,420
Depreciation of other tangible fixed assets (note 11.B)		
- owned	96,431	388,218
Depreciation of intangible fixed assets (note 11.C)	297,340	110,677
Surplus/(Deficit) on disposal of tangible fixed assets (note 9)	(8,074)	(114,808)
Inventories recognised as an expense		-
Lease payments recognised as an expense		-

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2025	2024
	£	£
Audit services - statutory audit of the Association	25,798	21,180
Other services:-		
Taxation compliance services	-	-
Taxation advisory services	-	-

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

9. SURPLUS OR DEFICIT ON SALE OF FIXED ASSETS – HOUSING PROPERTIES

	2025	2024
	£	£
Disposal proceeds	-	-
Loss on replacement of components	8,074	114,808
	<u>8,074</u>	<u>114,808</u>

10. EMPLOYEES

	2025	2024
	No.	No.
The average monthly number of full time equivalent persons (including key management personnel) employed by the Association during the year was:		
Office and management/Administration	17	13
Housing support and care	46	46
In-house Services Team	47	42
Development	3	3
	<u>113</u>	<u>104</u>
	2025	2024
	£'000	£'000
Staff costs for the above persons:		
Wages and salaries	4,428	4,318
Social security costs	437	411
Other pension costs and current service cost (note 21)	383	427
	<u>5,248</u>	<u>5,156</u>

The key management personnel are defined as the members of the Management Committee, the Director and any other person reporting directly to the Directors or the Management Committee.

The number of key management personnel who received emoluments (excluding employer pension contributions) in excess of £60,000 during the reporting period fell within the following bands:

	2025	2024
	No.	No.
£60,000 - £70,000	0	1
£70,001 - £80,000	0	1
£80,001 - £90,000	3	2
£90,001 - £100,000	-	-
>£100,000	<u>1</u>	<u>1</u>

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

10. EMPLOYEES (Continued)

	2025 £	2024 £
Aggregate emoluments for the above key management personnel (excluding pension contributions)	343,364	376,423
The emoluments of the Chief Executive (excluding pension contributions)	107,670	101,576
Aggregate pension contributions in relation to the above key management personnel	43,066	47,046
Total emoluments for the above key management personnel (including salary, pension and benefits)	386,430	423,469

No payment or fees or other remuneration was made to the Board members during the year.

11.A TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Social housing properties held for letting £	Housing properties for letting under construction £	Completed shared ownership housing properties £	Total housing properties £
Cost				
1 April 2024	192,086,109	14,332,169	1,445,448	207,863,726
Additions	-	13,941,886	-	13,941,886
Properties acquired	-	955,451	-	955,451
Works to existing properties	1,352,545	-	-	1,352,545
Schemes completed	6,339,501	(6,339,501)	-	-
Disposals	(8,074)	-	-	(8,074)
31 March 2025	199,770,081	22,890,005	1,445,448	224,105,534
Depreciation and impairment				
1 April 2024	44,357,807	-	756,625	45,114,432
Depreciation charged in year	4,287,452	-	28,909	4,316,361
31 March 2025	48,645,259	-	785,534	49,430,793
Net book value				
31 March 2025	151,124,822	22,890,005	659,914	174,674,741
31 March 2024	147,728,302	14,332,169	688,823	162,749,294

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

EXPENDITURE ON WORKS TO EXISTING PROPERTIES

	2025	2024
	£	£
Replacement component spend capitalised	1,352,545	2,007,121
Amounts charged to income and expenditure		
Total major repairs spend	<u>1,352,545</u>	<u>2,007,121</u>

FINANCE COSTS

	2025	2024
	£	£
Aggregate amount of finance costs included in the cost of housing properties	<u>1,790,459</u>	<u>1,456,512</u>

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

11.B TANGIBLE FIXED ASSETS – OTHER

	Freehold property £	Computers and Office Equipment £	Furniture, fixtures and fittings £	Total £
Cost				
1 April 2024	5,269,012	726,165	798,057	6,793,234
Additions	-	43,966	13,172	57,138
Disposed	-	-	(62,556)	(62,556)
	5,269,012	770,131	748,673	6,787,816
31 March 2025				
Depreciation				
1 April 2024	775,884	707,065	764,057	2,247,006
Depreciation charged in year	136,410	14,800	7,777	158,987
Disposed	-	-	(62,556)	(62,556)
	912,294	721,865	709,278	2,343,437
31 March 2025				
Net book value				
31 March 2025	4,356,718	48,266	39,395	4,444,379
31 March 2024	4,493,128	19,100	34,000	4,546,228

11.C INTANGIBLE FIXED ASSETS

	Computer Software £
Cost	
1 April 2024	1,378,545
Additions	115,668
31 March 2025	1,494,213
Depreciation	
1 April 2024	889,473
Depreciation charged in year	297,340
31 March 2025	1,186,813
Net book value	
31 March 2025	307,400
31 March 2024	489,072

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

11.D INVESTMENTS

	2025 £	2024 £
Investment in subsidiary undertakings	1	1

New Gorbals Housing Association Limited owns 1 ordinary £1 share in New Gorbals Property Management Limited. This represents a 100% shareholding in New Gorbals Property Management Limited, a company registered in Scotland, whose principal activity is that of provision of management of mid-market rented properties. As at 31 March 2025, the capital and reserves of New Gorbals Property Management Limited were £128,083 with a taxable profit for the year of £128,082

11.E CASH INVESTMENTS

	2025 £	2024 £
Cash investments	-	1,247,720

The Associations hold cash investments earning interest of 5.11% to 6.32%, which will mature between 6 and 12 months.

12. DEBTORS

	2025 £	2024 £
Amounts falling due within one year:		
Rent and service charges receivable	531,630	121,992
Less: net present value adjustment	(81,503)	(11,315)
Less: provision for bad and doubtful debts	(152,367)	(112,252)
	297,760	(1,575)
 Other debtors	 3,114,177	 2,079,147
Prepayments and accrued income	54,123	67,231
Amounts due from group undertakings	81,849	76,708
	3,547,907	2,221,511

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Debt (note 16)	1,327,674	1,569,353
Rent and service charges received in advance	590,013	121,897
Deferred capital grants (note 15)	2,396,472	2,313,255
Trade creditors	2,714,547	1,846,502
Other creditors	1,972,864	1,905,559
Taxation and Social Security	-	-
Accruals and deferred income	58,003	490,633
	9,059,573	8,247,199

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025 £	2024 £
Debt (note 16)	56,032,203	57,162,375
Deferred capital grant (note 15)	91,107,540	82,160,450
	<u>147,139,743</u>	<u>139,322,825</u>

	2025 £	2024 £
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Included in creditors are:

Amounts repayable by instalments falling due after more than five years	56,037,056	57,162,375
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15. DEFERRED CAPITAL GRANT

	2025 £	2024 £
As at 1 April	84,473,705	81,541,984
Grant received in the year	11,426,779	5,260,580
Capital grant released	(2,396,472)	(2,328,859)
Impairment	-	-
As at 31 March	<u>93,504,012</u>	<u>84,473,705</u>

Amounts to be released within one year	2,396,472	2,313,255
Amounts to be released in more than one year	91,107,540	82,160,450
	<u>93,504,012</u>	<u>84,473,705</u>

16. DEBT ANALYSIS – BORROWINGS

	2025 £	2024 £
Creditors: amounts falling due within one year:		
Bank loans	1,327,674	1,569,353
	<u>1,327,674</u>	<u>1,569,353</u>
Creditors: amounts falling due after more than one year:		
Bank loans	56,032,203	57,162,375
	<u>56,032,203</u>	<u>57,162,375</u>
Total	<u>57,359,877</u>	<u>58,731,728</u>

Borrowings are denominated and repaid in pounds sterling, have contractual interest rates that are either fixed rates or variable rates linked to LIBOR that are not leveraged, and do not contain conditional returns or repayment provisions other than to protect the lender against credit deterioration or changes in relevant legislation or taxation.

Bank borrowings mature annually at £1,327,674 per annum from 31 March 2025, until 31 March 2025, £47,197,943 (2024: £47,977,847) bears average fixed-rate coupons of 3.84% per annum (2024: 3.84% per annum) and £10,190,245 (2024: £10,753,880) bears average variable-rate coupons of 1.11% above Bank Base Rate (2024: 1.11% above LIBOR). The Association makes quarterly repayments of the bank borrowings.

Bank borrowings of £57,388,169 (2024: £58,731,728) are secured against the Association's housing properties.

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

Based on the lender's earliest repayment date, borrowing is repayable as follows:

	2025	2024
	£	£
Due within one year	1,327,674	1,574,850
Due in one year or more but less than two years	2,858,495	1,241,272
Due between two and five years	5,813,520	5,385,448
Due more than five years	47,360,188	50,530,158
	<u>57,359,877</u>	<u>58,731,728</u>

17. PROVISIONS

	Holiday pay £
1 April 2024	60,691
Utilised in the year	(60,691)
Additional provision in year	45,401
31 March 2025	<u>45,401</u>

Holiday Pay

This represents holiday accrued because of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the statutory cost payable for the period of absence.

18. SHARE CAPITAL & RESERVES

The Association is limited by guarantee and consequently has no share capital. Each of the Association's members agrees to contribute £1 in the event of the Association winding up.

	2025 Number	2024 Number
Number of members		
1 April	115	71
Joined during the year	28	50
Left during year	(6)	(6)
31 March	<u>137</u>	<u>115</u>

RESERVES

Reserves of the Association represent the following:

	2025	2024
	£	£
Income and Expenditure Account		
1 April	39,505,794	38,040,733
Surplus for the year	1,107,527	1,420,061
Actuarial gain/(loss) for year	641,000	45,000
31 March	<u>41,254,321</u>	<u>39,505,794</u>

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

19. RECONCILIATION OF SURPLUS TO NET CASH GENERATED FROM OPERATIONS

	2025	2024
	£	£
Surplus for the year	1,700,630	1,465,061
Adjustments for non-cash items:		
Depreciation of intangible fixed assets	297,340	110,677
Depreciation of tangible fixed assets	4,505,209	3,632,638
Amortisation of capital grants	(2,396,472)	(2,328,860)
(Decrease)/Increase in provisions	(762,289)	(68,065)
(Gain)/Loss on disposal of tangible fixed assets	8,074	114,808
Interest receivable	(592,887)	(518,166)
Interest payable	2,024,260	2,313,650
Shares cancelled	(7)	(6)
Impairment		
Operating cash flows before movements in working capital	4,783,858	4,721,737
Increase in investments		
Decrease/(Increase) in trade and other debtors	(1,310,538)	(7,002)
(Decrease)/Increase in trade and other creditors	925,113	(345,767)
Cash generated from operations	4,398,433	4,368,968

CASH AND CASH EQUIVALENTS

	2025	2024
	£	£
Cash and cash equivalents represent: -		
Cash at bank	1,188,620	14,677,799
Short-term deposits	11,336,229	1,247,720
	12,524,849	15,925,519

Reconciliation of net cash flow to movement in net debt		
(Decrease)/Increase in cash for the year	(3,400,672)	(2,057,851)
Loans received	-	-
Loan repayments	1,371,845	1,155,600
Change in net debt	(2,028,827)	(902,251)
Net debt as at 1 April 2024	(42,800,711)	(41,898,460)
Net debt as at 31 March 2025	(44,829,538)	(42,800,711)

Analysis of Changes in net debt

	As at 31 March 2024	Cash Flow	Other Changes	As at 31 March 2025
	£	£	£	£
Cash at bank and in hand	15,925,519	(3,400,671)	-	12,524,848
Bank Overdrafts	-	-	-	-
Debt due within one year	(1,563,855)	196,865	-	(1,366,990)
Debt due after one year	(57,162,375)	1,170,124	-	(55,992,251)
	(42,800,711)	(2,033,682)	-	(44,834,393)

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

20. CAPITAL COMMITMENTS AND OTHER CONTRACTUAL OBLIGATIONS

	2025 £	2024 £
Capital expenditure contracted for but not provided in the financial statements	13,511,000	27,452,000

The above commitments will be funded through existing finance and grant.

21. RETIREMENT BENEFITS

Scottish Housing Association Pension Scheme (SHAPS)

Certain employees of the Association are members of an industry-wide retirement benefit scheme the Scottish Housing Association Pension Scheme ("SHAPS").

The Association participates in the scheme, a multi-employer scheme which provides benefits to over 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 last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2024. This valuation revealed a deficit of £79.5m. A recovery Plan will be put in place to eliminate the deficit which will run from 1 April 2026 to 31 March 2030.

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.

The Association's estimated debt on withdrawal as at 30 September 2024 was £2,296,594 (30 September 2023 £2,291,292). The estimated debt is calculated on the solvency – or 'buy-out' – basis. This is the Scheme Actuary's estimate of the pricing basis used to secure pension liabilities in full with an insurance company on 30 September 2024

Under the defined benefit pension accounting approach, the SHAPS net deficit as at 1 April 2024 (£1,001,000) and (£849,000) as at 31 March 2025.

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

21. RETIREMENT BENEFITS (Continued)

**FAIR VALUE OF PLAN ASSETS, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION,
AND DEFINED BENEFIT ASSET (LIABILITY)**

	31 March 2025	31 March 2024
	(£000s)	(£000s)
Fair value of plan assets	6,061	6,449
Present value of defined benefit obligation	6,910	7,450
Surplus (deficit) in plan	(849)	(1,001)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(849)	(1,001)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	-	-

**RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT
OBLIGATION**

	31 March 2024 to 31 March 2025 (£000s)
Defined benefit obligation at start of period	7
Current service cost	120
Expenses	11
Interest expense	(1)
Member contributions	26
Actuarial losses (gains) due to scheme experience	8,020
Actuarial losses (gains) due to changes in demographic assumptions	(89)
Actuarial losses (gains) due to changes in financial assumptions	(980)
Benefits paid and expenses	(204)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	6,910

21. RETIREMENT BENEFITS (Continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period from 31 March 2024 to 31 March 2025 (£000s)
Fair value of plan assets at start of period	6,449
Interest income	313
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(739)
Employer contributions	216
Member contributions	26
Benefits paid and expenses	(204)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	6,061

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was (£426,000).

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SoCI)

	Period from 31 March 2024 to 31 March 2025 (£000s)
Current service cost	120
Expenses	11
Net interest expense	-
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	131

21. RETIREMENT BENEFITS (Continued)

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

	Period from 31 March 2024 to 31 March 2025 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(739)
Experience gains and losses arising on the plan liabilities - gain (loss)	(8,020)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	89
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	980
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(7,690)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	6,756
Total amount recognised in Other Comprehensive Income - gain (loss)	(934)

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

21. RETIREMENT BENEFITS (Continued)

ASSETS

	31 March 2025	31 March 2024
	(£000s)	(£000s)
Global Equity	702	742
Absolute Return	-	290
Distressed Opportunities	-	237
Credit Relative Value	-	227
Alternative Risk Premia	-	232
Liquid Alternatives	1,116	-
Emerging Markets Debt	-	113
Risk Sharing	-	387
Insurance-Linked Securities	23	40
Property	300	273
Infrastructure	1	618
Private Equity	5	5
Real Assets	724	-
Private Debt	-	260
Opportunistic Illiquid Credit	-	257
Private Credit	756	-
Credit	258	-
Investment Grade Credit	277	-
High Yield	-	1
Cash	32	167
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	2	48
Secure Income	140	215
Liability Driven Investment	1,707	2,332
Currency Hedging	10	(3)
Net Current Assets	8	8
Total assets	6,061	6,449

21. RETIREMENT BENEFITS (Continued)

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.

KEY ASSUMPTIONS

	31 March 2025	31 March 2024
	% per annum	% per annum
Discount Rate	5.8%	4.85%
Inflation (RPI)	3.09%	3.10%
Inflation (CPI)	2.75%	2.75%
Salary Growth	3.45%	3.45%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2025	19.8
Female retiring in 2025	22.3
Male retiring in 2045	21.1
Female retiring in 2045	23.7

The Association has been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over recent years. The Trustee was advised to seek clarification from the Court on potential changes to the pension liability. The Court hearing concluded in March 2025, with the Court's determination expected later in 2025. It is recognised that this could potentially impact the value of Scheme liabilities, but until the outcome of the Court process is known, it is not possible to calculate the impact on the liabilities of this issue, particularly on an individual employer basis, with any accuracy for the purposes of the 31 March 2025 financial statements. Accordingly no adjustment has been made in these financial statements in respect of this potential issue.

The Board are aware that the Court of Appeal has upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained.

On the 5 June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written confirmation that historical benefit changes met the necessary standards. However, details of the legislation have not been announced. Subject to the entity being able to comply with the legislation and the pension scheme obtaining the required written actuarial confirmation, the Board do not expect the valuation of the scheme liabilities to change.

Strathclyde Pension Fund

21. RETIREMENT BENEFITS

Strathclyde Pension Fund

Some employees of New Gorbals Housing Association Limited participate in the Strathclyde Pension Fund (SPF), a defined benefit scheme administered by Glasgow City Council. The scheme is a multi-employer scheme. Annual contributions to the scheme are based on the recommendation of the scheme actuary. Current and past service costs and are charged to the Statement of Comprehensive Income so as to spread the expected cost of providing pensions over the employees' period of service with NGHHA. Employees contribute between 5.5% and 6.9% of their salary. Employers contributions were 3.37% for 2024-25 (2023-24: 3.37%).

Unfunded early retirement pension enhancements for which NGHHA is liable are provided for in full when employees retire and are charged against the provision when paid.

Employer contributions for the year to 31 March 2026 will be approximately £14,600.

A formal valuation of the SPF was carried out as at 31 March 2020 by a qualified independent actuary, Hymans Robertson LLP. In order to assess the actuarial value of the SPF's liabilities as at 31 March 2025, the Scheme's actuaries have rolled forward the actuarial value of the liabilities allowing for changes in financial assumptions as prescribed under FRS 102, the Financial Reporting Standard applicable in the UK and Ireland.

The pension liability included in these financial statements includes the effect of the McCloud judgement and GMP equalisation.

The principal assumptions used as at 31 March 2025 were as follows:

	2025	2024
Discount rate	5.8%	4.85%
Future salary increases	3.45%	3.45%
Future pension increases	2.75%	2.75%
Proportion of employees opting for early retirement		
Post-retirement mortality	1.5%	1.5%

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2025	2024
	Years	Years
Male	19.8	19.9
Female	22.1	22.1

The average life expectancy for an employee retiring at 65 that is aged 45 at the reporting date is:

	2025	2024
	Years	Years
Male	18.7	18.8
Female	24.8	24.9

Amounts recognised in income and expenditure in respect of the defined benefit schemes are as follows:

	2025	2024
	£'000	£'000
Current service cost	71	70
Net interest on the net defined benefit pension liability	(106)	(88)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement.		
	(35)	(18)

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

21. RETIREMENT BENEFITS (Continued)

Changes in the present value of the defined benefit obligation:	£'000
Defined benefit obligation at 1 April 2024	3,312
Current service cost	71
Past Service costs	-
Interest cost	161
Contributions by scheme participants	23
Plan introductions, changes, curtailments and settlements	(620)
Benefits paid	(69)
Defined benefit obligation at 31 March 2025	<u>2,878</u>
Changes in the fair value of plan assets:	£'000
Plan assets at 1 April 2024	5,518
Interest income	267
Actuarial (losses)/gains	-
Return on plan assets (excluding net interest on the defined benefit liability)	(72)
Contributions by employer	12
Contributions by scheme participants	23
Benefits paid	(69)
Plan assets at 31 March 2025	<u>5,679</u>
Net Asset at 31 March 2025	<u>2,801</u>

The analysis of the scheme assets at the reporting date were as follows:

	Fair value of assets	
	2025	2024
Equity instruments	60%	58%
Debt instruments	23%	27%
Property	9%	10%
Other assets	8%	5%
	<u>100%</u>	<u>100%</u>

The above figures take into account the effect of the McCloud case.

New Gorbals Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025

22. RELATED PARTY TRANSACTIONS

Committee of Management members are also tenants of the Association. Their tenancies are on normal commercial terms. During the year £55,518 (2024: £45,040) of rent was receivable from these tenant members. At the year-end there were £192 (2024: £473) of rent arrears due from these tenant members

During the year we charged £327,392 in rent and management charges (2024: £306,853) to our subsidiary New Gorbals Property Management. NGPM was incorporated in January 2016 primarily for the letting of mid-market rented properties. At 31st March 2025 £81,848 (2024: £76,708) was due from the subsidiary in group debtors.

23. COMMITMENTS UNDER OPERATING LEASE

At 31 March 2025 total future minimum lease payments under non-cancellable operating leases are set out below.

	2025		2024	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Amounts due:				
Within 1, year	-	155,000	-	306,853
Within 2 to 5 years	-	310,000	-	306,853
	-	465,000	-	613,706

24. TAXATION

The Association gained charitable status in the year ending on 6th January 2010 and is no longer liable for tax on its ordinary activities.

25. NATIONAL LOTTERY COMMUNITY FUNDNIL

The Association received £nil in 2025 (2024 £50,000) in National Lottery funding in relation to Community Budgeting. Spend in year is £42,293 (2024 £55,524). Income and Expenditure is recognised in Wider Action, Note 4.