

Registered Housing Association No. 117
Financial Conduct Authority No. 1791 R (S)
Charity No. SC010307

GOVANHILL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2025

GOVANHILL HOUSING ASSOCIATION LTD

For the year ended 31 March 2025

CONTENTS

	Page
Board of Management, Executives and Advisors	2
Report of the Management Committee	3 - 7
Statement of Management Committee's Responsibilities	8
Management Committee's Statement on Internal Financial Controls	9
External Auditor's Report on Corporate Governance Matters	10
Independent Auditor's Report	11 - 14
Statement of Comprehensive Income	15
Statement of Financial Position	16 - 17
Statement of Changes in Reserves	18
Statement of Cashflows	19
Notes to the Financial Statements	20 – 42

Registration Particulars:

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered Number 1791 R (S)
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered Number HCB 117
Charity No.	Charities and Trustee Investment (Scotland) Act 2005 Scottish Charity Number SC010307

GOVANHILL HOUSING ASSOCIATION LTD

BOARD OF MANAGEMENT, EXECUTIVES AND ADVISORS

For the year ended 31 March 2025

The members of the Management Committee of the Association who served during the year to 31 March 2025 and up to the date of signing of these financial statements were as follows:

Management Committee

Keith Kintrea	Chair from 25/09/2024 (Treasurer to 25/09/2024)
Cheryl Miller	Treasurer from 25/09/2024 (Chair to 25/9/2024)
Audrey Flanagan	Vice Chair
Elizabeth Klein	(Secretary to 25/09/2024)
Ghazala Hakeem	Secretary from 25/09/2024
Mujeeb Ur Rehman	
Barbara Robertson	
Iain Doherty	
Wilma Logan	
Jennifer Cassells	
Paul Callander	Elected 19/09/2024
Elnimery Khalifa	Elected 19/09/2024
Gary Paton	Elected 19/09/2024 Resigned 28/05/25
Catherine McKernan	Elected 19/09/2024 Required to stand down 28/3/2025

Executive officers

John Quinn	(Director)
Alan McDonald	(Head of Development & Property Services)
Alison Kevan	(Head of Corporate Services & HR)
Claire McGraw	(Head of Tenancy Services)
David Robb	(Head of Finance & IT)

Registered office

Samaritan House
79 Coplaw Street
Glasgow G42 7JG

External Auditors

CT Audit Limited
61 Dublin Street
Edinburgh
EH3 6NL

Internal Auditors

Quinn Internal Audit
GF 4 Grosvenor
Gardens
EH12 5JU
Edinburgh

Bankers

Barclays plc
83 Argyle Street
Glasgow G5 8DP

Solicitors

TC Young LLP
7 West George
Street
Glasgow G2 1BA

GOVANHILL HOUSING ASSOCIATION LTD

REPORT OF THE MANAGEMENT COMMITTEE

For the year ended 31 March 2025

The Management Committee has pleasure in presenting its report and the audited financial statements for the year ended 31 March 2025.

Principal activity

The principal activity of the Association is the provision of good quality, affordable rented accommodation for those in housing need.

Our Vision and Mission is that everyone living in Govanhill and Merrylee should:

Enjoy good quality, warm, safe and affordable housing that contributes to their health and wellbeing and to community pride; and

Live in a neighbourhood that is clean and well cared for, with excellent neighbourhood services and opportunities for all.

Our Strategic Objectives are:

Services	Deliver quality, value for money services that meet the varying needs and circumstances of our customers
Homes and neighbourhoods	Provide quality homes and work with our partners to make Govanhill a safer, cleaner, greener place
Assets	Manage our assets well, spend our resources wisely, and plan ahead for decarbonisation of our housing
Communities	As the community anchor organisation for Govanhill, work with the community and with partners to strengthen our community and benefit local people
Leadership and Financial	Maintain good governance and a strong financial business plan, to ensure we have the capacity to achieve our objectives
GhHA's people and organisation	Make sure GhHA is an effective and efficient organisation and that our staff are well trained, valued and supported, and motivated to provide the best possible services to our customers

The Association has a wholly owned subsidiary, Govanhill Community Development Trust Limited ("GCDT"), the objective of which is to manage commercial properties for let in the community, supporting local businesses and giving them a base of operations in our community, together with managing a number of grant-funded activities aimed at supporting our community and enhancing its residents' lives.

GOVANHILL HOUSING ASSOCIATION LTD**REPORT OF THE MANAGEMENT COMMITTEE****For the year ended 31 March 2025**

Most of our homes are traditional tenement buildings, and the table below shows the number of homes that we manage:

Managed Property Numbers	2025	2024
General Needs Affordable Housing	2,769	2,710
Supported Housing	99	99
Shared Equity	2	2
Total	2,870	2,811

Financial Review

The Association made a surplus in the year of £5,088,246 (2024 - £510,678). This surplus does not represent additional cash funds generated.

During the budget setting process, a potential breach in one of our lenders' covenants was identified. The Management Committee was proactive in instructing an approach to the lender and a one year waiver of the covenant was secured.

All surplus cash which is generated is invested in the homes of the Association's tenants. Over £33 million has been budgeted for investment into existing housing stock over the next 5 years.

The Association continues to monitor new developments in the move towards net-zero in housing.

Revenue Reserves

This reflects past years' activities and has to provide for the future including in areas like long term maintenance, loan repayments and future risk. General reserves are required to ensure the future financial stability of Govanhill Housing Association. The total revenue reserves amount to £54,931,345 which the Governing Body believes to be adequate but not excessive.

Performance

This report details the main activities undertaken by Govanhill Housing and how we have performed.

Corporate Governance

Govanhill Housing has a Management Committee (detailed on page 2) which is elected by members of the Association and is made up of tenants and local residents. It is the responsibility of the Management Committee to undertake the setting of the Association's strategy, policy and overall direction of Govanhill Housing Association. It also monitors the operational activities of the Association which the Executive Officers undertake with delegated authority and in line with the agreed policies throughout the year. The members of the Management Committee undertake their work in a voluntary, unpaid capacity.

In addition to its strategic oversight role, the Management Committee has Sub-Committees (Finance & General Purpose, Operations and Audit Risk) which are responsible for monitoring particular operational areas of the business and which receive regular reports from the Executive officers on activities undertaken and performance against targets.

GOVANHILL HOUSING ASSOCIATION LTD

REPORT OF THE MANAGEMENT COMMITTEE

For the year ended 31 March 2025

Development & Property Services

These Services relate to all matters concerning the Association's properties and comprises a Repairs and Maintenance team, a Property Development team and a Factoring team.

The Repairs and Maintenance team manages the reactive, and cyclical repairs to our tenants' homes while they are occupied and when they become empty. This includes repairs to the inside and outside of tenants' homes, arranging the annual inspection of gas systems, inspecting tenement roofs and other activities needed to ensure tenants' homes are healthy, safe and secure.

The Factoring team manages services for 1,346 owners within 415 closes, supporting our operations and protecting our assets through effective property management with support from our Maintenance and Development sections.

The Property Development team continues to progress several projects for the Association. A few exciting projects including breaking ground at a site of new build flats on Butterbiggins Road and the acquisition of 60 new flats at the site of the former Larkfield bus depot have kept the team busy.

Tenancy Services

These Services relate to all tenancy matters and include Housing and Allocations Requests, Anti-Social Behaviour Concerns, Homelessness Support, Benefits Support, Rent Setting and Arrears Management.

We consulted with tenants on how we might change our rent setting policies and procedures, to make our rent setting fairer and more transparent. Our consultants used this feedback to create a new rent setting procedure and we agreed a plan to gradually introduce the changes to tenants' rents, to minimise the impact of any upwards or downwards movements in rent levels for both our tenants and the Association. We are now in the third year of this process with the final two years likely to see changes to a small number of tenants only.

Corporate Services & HR

The Corporate Services & HR team continued to support the work of Govanhill Housing Association and GCDT throughout the year.

The team has had a busy year recruiting to fill vacant posts and managing the flow of information and new working practices needed to ensure the smooth running of a modern organisation.

The team also provides essential support to the operational teams of the Association, including ensuring that we meet all Fire Safety and Health and Safety legislation for our staff and our office buildings. Staff also provide assistance in this area to our colleagues in Housing & Property Services who have similar responsibilities in relation to our services as a landlord.

Other Matters

Going Concern

The Management Committee has a reasonable expectation that the Association has adequate resources available to continue in operational existence for the foreseeable future.

We carefully plan our major repairs work to ensure that we balance the cost of reactive and major repairs against our projected income levels to maintain cash levels as positive. We have budgeted major repair works which will bring our financial statements into conflict with our lending covenants. We have entered a constructive dialogue with a view to the problematic covenant being removed to allow the planned investment to take place.

The Association has substantial assets, much of which are unencumbered by being held as security. We have therefore continued to adopt the going concern basis of accounting in the preparation of the annual financial statements.

GOVANHILL HOUSING ASSOCIATION LTD

REPORT OF THE MANAGEMENT COMMITTEE

For the year ended 31 March 2025

Principal risks and uncertainties

The Governing Body monitor the overall risk profile of the Association. In addition, the Governing Body is responsible for determining clear policies as to what the Association and considers to be acceptable levels of risk. The Governing Body review the risk appetite on an annual basis, taking into account the operating environment, strategic objectives and financial stability. Where the Governing Body identify risks that are not acceptable, they develop action plans to mitigate them with clear allocation of responsibilities and timescales for completion and ensure that progress towards implementing these plans is monitored and reported upon.

Future Prospects

The Association remains open to opportunities to acquire or build more homes, particularly larger, family homes.

GOVANHILL HOUSING ASSOCIATION LTD

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITIES

For the year ended 31 March 2025

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation 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 for that period. In preparing these financial statements, the Management Committee 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 Board 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 Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, The Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – 2024.

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

By Order of the Board of Management.

Name: 

Date: 20 August 2025

GOVANHILL HOUSING ASSOCIATION LTD

THE BOARD OF MANAGEMENT'S STATEMENT OF INTERNAL FINANCIAL CONTROL

For the year ended 31 March 2025

The Management Committee acknowledges their 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 Board 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 misstatement 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 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, authorized and submitted promptly to the relevant regulatory bodies;
- All significant new initiatives, major commitments and investment projects are subject to formal authorization procedures, through the Board of Management;
- The Audit & Risk Sub-Committee receive reports from Management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken; and
- Formal procedures have been established for instituting appropriate action to correct any weakness identified through external or internal audit reports;
- An internal auditor has been 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 Management Committee 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 Board of Management

Name: [REDACTED]

Date: 20 August 2025

REPORT BY THE AUDITORS TO THE MEMBERS OF

GOVANHILL HOUSING ASSOCIATION LTD ON CORPORATE GOVERNANCE MATTERS


In addition to our audit of the Financial Statements, we have reviewed your statement on page 9 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 Management Committee 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 9 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.



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

02 September 2025
Date:.....

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**GOVANHILL HOUSING ASSOCIATION LIMITED****Opinion**

We have audited the financial statements of Govanhill Housing Association Limited (the 'Association') for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the 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 – 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 Board 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 Management Committee 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GOVANHILL HOUSING ASSOCIATION LIMITED

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 the Management Committee 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 Management Committee 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:

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

Responsibilities of the Board of Management

As explained more fully in the Statement of Board of Management's Responsibilities set out on page 8 the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOVANHILL HOUSING ASSOCIATION LIMITED

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 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 Co-operative and Community Benefit Societies Act 2014, the Scottish Housing Acts and the Scottish Housing Regulator's Determination of Accounting Requirements – 2024. 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 the Housing (Scotland) Acts 2006, 2010, 2014, the Energy Efficiency Standard for Social Housing (EESH) and the Scottish Charity Regulator (OSCR). We performed audit procedures to inquire of management and those charged with governance whether the Association is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

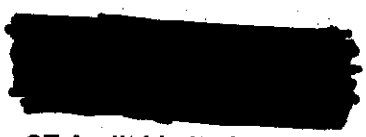
The audit engagement team identified the risk of management override of controls and the existence, completeness and valuation of income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating 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 risks for income included but were not limited to substantive analytical review to test the grant and rental income that was recognised, selecting a sample of rental income to assess whether it was recognised 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GOVANHILL HOUSING ASSOCIATION LIMITED**

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.

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 Audit Limited
Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Date: 02 September 2025

GOVANHILL HOUSING ASSOCIATION LIMITED**STATEMENT OF COMPREHENSIVE INCOME****For the year ended 31 March 2025**

	Notes	2025 £	2024 £
Turnover	2	23,075,741	21,866,472
Operating expenditure	2	(18,057,573)	(20,012,684)
Operating Surplus	2	5,018,168	1,853,788
Release of Negative Goodwill		80,508	80,508
Interest Receivable & Other Similar Income		204,183	298,369
Interest Payable & Other Similar Charges	8	(533,613)	(1,259,987)
Defined Benefit Pension (income)/Costs		319,000	(462,000)
		<u>70,078</u>	<u>(1,343,110)</u>
SURPLUS FOR THE PERIOD		<u>5,088,246</u>	<u>510,678</u>
Other Comprehensive Income			
Actuarial (loss)/gain in respect of Pension Schemes – SHAPS		(106,000)	734,000
Actuarial loss in respect of Pension Schemes – SPF		(213,000)	(272,000)
TOTAL COMPREHENSIVE INCOME		<u>4,769,246</u>	<u>972,678</u>

The financial statements were approved and authorised for issue by the Management Committee and signed on its behalf on 20 August 2025.

Vice Chairperson

Secretary

Treasurer

The notes on pages 18 to 42 form part of these financial statements

GOVANHILL HOUSING ASSOCIATION LIMITED**STATEMENT OF FINANCIAL POSITION****For the year ended 31 March 2025**

	Notes	£	2025 £	2024 £
NON-CURRENT ASSETS				
Housing properties- Depreciated Cost	12		122,882,095	110,572,743
Shared Equity Scheme - loan			282,500	282,500
Shared Equity scheme – cost			(282,500)	(282,500)
Other Tangible Fixed Assets			2,340,274	2,387,810
			125,222,369	112,960,553
	14			
INVESTMENT			100	100
INTANGIBLE FIXED ASSETS	16			
Negative Goodwill			(2,898,227)	(2,978,735)
CURRENT ASSETS				
Debtors	17		1,373,706	2,150,850
Cash at Bank and on Hand			7,106,171	15,805,383
			8,479,877	17,956,233
CREDITORS: Amount Falling due within one year	18		(6,043,161)	(6,358,272)
Net Current Assets			2,436,716	11,597,961
Total Assets Less Current Liabilities			124,760,958	121,579,879
Creditors: amounts falling due after more than one year			(19,652,134)	(20,658,765)
Defined Benefit Pension Asset/(Liability) – SHAPS			(1,070,000)	(1,121,000)
Defined Benefit Pension Asset/(Liability) - SPF			1,152,000	922,000
DEERRED INCOME				
Social Housing Grants			(47,854,634)	(48,094,819)
Other Grants	19		(2,404,845)	(2,465,195)
			(50,259,479)	(50,560,014)
NET ASSETS			54,931,345	50,162,100
EQUITY				
Share Capital	23		260	260
Revenue Reserve			54,931,085	50,161,840
			54,931,345	50,162,100

GOVANHILL HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2025

The financial statements were approved and authorised for issue by the Management Committee and signed on its behalf on 20 August 2025.

Vice Chairperson

Secretary

Treasurer

The notes on pages 18 to 42 form part of these financial statements

GOVANHILL HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March 2025

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2024	260	50,161,840	50,162,100
Issue of Shares	11	-	121
Forfeited shares written off in a year	(11)	-	(11)
Other Comprehensive income	-	(319,001)	(319,001)
Surplus for the year	-	5,088,246	5,088,246
Balance at 31 March 2025	260	54,931,085	54,931,345

Balance as at 1 April 2023	276	49,189,162	49,189,438
Issue of Shares	2	-	2
Forfeited Shares written off in a year	(18)	-	(18)
Other Comprehensive income	-	462,000	462,000
Surplus for the year	-	510,678	510,678
Balance at 31 March 2024	260	50,161,840	50,162,100

The Notes on pages 18 to 35 part of these financial statements

GOVANHILL HOUSING ASSOCIATION LIMITED**STATEMENT OF CASHFLOWS****For the year ended 31 March 2025**

	Notes	31.03.2025	31.03.2024
		£	£
Net cash generated from operating activities	21	7,505,871	4,501,297
Investing Activities			
Acquisition and Construction of Housing Properties		(866,710)	(7,806,793)
Improvements to Housing Properties		(15,264,415)	1,479,876
Social Housing Grants received		1,282,184	1,991,645
Proceeds of Disposals of Housing Properties		-	-
Purchase of other Fixed assets		(34,809)	(150,158)
Net Cash Outflow from Investing Activities		(14,883,750)	(4,485,430)
Net Cash Flow Before Financing		(7,377,879)	15,867
Financing Activities			
Issues/Forfeiture of Ordinary Share Capital		1	(17)
Interest Received		204,183	298,369
Interest paid		(533,613)	(1,259,987)
Loan Principal Repayments		(991,904)	(1,087,507)
Net Cash Outflow from Financing Activities		(1,321,333)	(2,049,142)
Decrease in Cash		(8,699,212)	(2,033,275)
Opening Cash and Cash Equivalents		15,805,383	17,383,658
Closing Cash and Cash Equivalents		7,106,171	15,805,383

GOVANHILL HOUSING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. Accounting Policies

Legal Status

Govanhill Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act 2014 and registered by the Financial Conduct Authority. The Association is constituted under its Rule Book and registered with the Scottish Housing Regulator as a Registered Social Landlord under the Housing (Scotland) Act 2010. The Association is a registered Scottish Charity with the number SC010307.

The Association's address is listed on page 1. Its principal activities and the nature of its operations are detailed on pages 2 to 8.

Govanhill Housing Association Ltd 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 2024, and under the historical cost convention.

The financial statements are prepared in Sterling (£).

Basis of Consolidation

Govanhill Housing Association Limited and its non-registered subsidiary (Govanhill Developments Limited) comprise a group. The Association has obtained exemption from the Financial Conduct Authority from producing Consolidated Financial Statements as provided by Section 99 (3a) of the Co-operative and Community Benefit Societies Act 2014. The financial statements represent the results of Govanhill Housing Association Limited and not of the group. Govanhill Developments Limited is a subsidiary trading company and did not generate a significant level of financial results from a group perspective.

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:

- SHAPS pension scheme valuation;
 - 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 20)
- 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.
- Useful Lives 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.
- Categorisation of improvements to Housing Properties;
 - The Association reviews all expenditure incurred on housing properties in the year and considers which expenditure should be capitalized and which should be accounted for as revenue expenditure. A reasonable proportion of expenditure on contracts in progress at the yearend is capitalized to housing properties at the year-end and then costs are subsequently allocated to components and accounted for as such within completed housing properties.

GOVANHILL HOUSING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

1. Accounting Policies (continued)

Going Concern

Each year the Board approves the five-year budgets and rolling thirty-year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Board of variances from the budget, updated forecasts for the year where necessary together with information on the key risk areas.

On that basis the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. As a result, we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover and Revenue Recognition

Revenue represents rental and service charge income receivable net of losses from voids, management charges to the subsidiary (excluding VAT), income from the sale of properties, and fees and revenue-based grants receivable from the Scottish Government, local authorities and other agencies.

Rental income is recognised from the point when properties under development or acquisitions subject to major refurbishment works reach practical completion or otherwise become available for letting, net of any void losses. Revenue grants are recognised when the conditions for receipt of agreed grant funding have been met.

Social Housing Grant and Other Grants

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

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

Social Housing Grant and other grants from non-government sources received in respect of revenue expenditure are recognised using the performance model. Grants are recognised when the associated performance conditions are met.

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.

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.

Completed housing 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.

Development administration costs relating to new build development activities for which we receive grant funding are capitalised based on the time spent by staff on this activity, in line with the capitalisation of the grant funds received by the Association.

GOVANHILL HOUSING ASSOCIATION LTD**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025****1. Accounting Policies (continued)****Depreciation of Housing Properties**

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 12.:

<u>Component</u>	<u>Estimated Useful Economic Life</u>
Kitchens	15 years
Bathrooms	20 years
Central Heating	15 years
External Windows & Doors	30 years
Door entry systems & Other M&E	30 years
Lifts	15 years
Roofs	50 years
Structure	70 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 Association 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.

Depreciation 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 estimated useful economic lives of the assets at the following annual rates:

Office and Commercial Premises	2% Straight Line
Computer Equipment	33 ⅓% Straight Line
Office Equipment	20%-33 ⅓% Straight Line

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.

Taxation

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

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.

GOVANHILL HOUSING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

1. Accounting Policies (continued)

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 at the reporting date. 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 Association is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement Benefits

The Association participated in the Scottish Housing Association Defined Benefit Pension ("SHAPS DB") Scheme and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. The SHAPS DB scheme was closed to all employees from 1 April 2021 and employees were transferred to the Association's Defined Contribution scheme.

As at the year ended 31 March 2025, the net defined benefit pension deficit liability was £1,070,000 (2024 - £1,121,000), which has been included within the defined benefit pension liability in the financial statements. 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 20 for more details.

The Association also participates in the Scottish Housing Association Defined Contribution Pension Scheme and contributions made on behalf of employees are recognised as costs in the Statement of Comprehensive Income as they are made.

At the time of Second Stage Transfer the Association took on employees who are members of the Strathclyde Pension Fund ("SPF"), a Defined Benefit Pension scheme. In accordance with FRS102, the operating and financing costs of pension and post Retirement schemes (determined by a qualified actuary) are recognised separately in the income and expenditure account. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise.

As at the year ended 31 March 2025, the net defined benefit pension surplus was £1,152,000 (2024 – £922,000), which has been included within the defined benefit pension liability in the financial statements.

Financial Instruments - Basic

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.

GOVANHILL HOUSING ASSOCIATION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

1. Accounting Policies (continued)

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.

Mortgages

Borrowings are initially recognized 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. Mortgage loans are advanced by local authorities, the Scottish Government or private lending institutions under the terms of individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments which have been given approval for Social Housing Grant by the Scottish Government.

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.

Govanhill Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

1. Accounting Policies (continued)

Provisions

Provisions are recognised when the Association 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.

Shared Equity Properties

Disposals under shared equity schemes are accounted for in the Statement of Comprehensive Income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

Goodwill

Negative goodwill arose on the acquisition of housing assets and the related rent arrears from Glasgow Housing Association as part of a Second Stage Transfer. The fair value of the assets acquired exceeded the consideration paid by the Association. Negative goodwill is written back to the Statement of Comprehensive Income in equal instalments over a period of 50 years. Refer to note 16.

Leases/Leased Assets

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

Consolidation

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

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 FRS102.
- b) *The Categorisation of Commercial Properties*
The Association owns three small shop units which are held within tenement blocks owned for social housing. These properties are primarily held for social benefit, let to social enterprises and charities address food insecurity and youth engagement, and so they have been classified as Property, Plant and Equipment.
- c) *Identification of Cash Generating Units*
The Association considers its cash-generating units to be 2,811 for asset management purposes.
- d) *Consideration of what is included in Operating Surplus*
The Association considers that any gains or losses incurred when disposing of housing properties or replacing components within those properties should be accounted for within Operating Surplus reported.

Govanhill Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

2. Particulars of Turnover, Operating Costs and Operating Surplus or Deficit

	Turnover £	Operating Costs £	2025 Operating Surplus/ (Deficit) £	2024 Operating Surplus/ (Deficit) £
Affordable lettings activities (Note 3)	21,087,322	(16,403,409)	4,683,913	1,436,029
Other activities (Note 4)	1,988,419	(1,654,164)	334,255	417,759
Total	23,075,741	(18,057,573)	5,018,168	1,853,788
	=====	=====	=====	=====
Total for previous reporting period	21,866,472	(20,012,684)	1,853,788	
	=====	=====	=====	

Govanhill Housing Association Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025****3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTINGS**

	General Needs Housing £	Support Social Housing Accommod- ation £	Shared equity housing £	2025 Total £	2024 Total £
Revenue From Lettings					
Rent receivable net of identifiable service charges	15,633,803	561,988	6,274	16,202,065	14,775,042
Service charges receivable	694,278	17,898	522	712,698	254,132
Gross Rents Receivable	16,328,081	579,886	6,796	16,914,763	15,029,174
Less: Rent loss from voids	(424,485)	-	-	(424,485)	(427,179)
Net Rents Receivable	15,903,596	579,886	6,796	16,490,278	14,601,995
Amortisation of Social Housing & Other Grants	1,519,795	-	-	1,519,795	1,517,223
Revenue Grants from Local Authority & Other Agencies	3,077,249	-	-	3,077,249	4,029,656
Total Income from Social Letting	20,500,640	579,886	6,796	21,087,322	20,148,874
Expenditure on Social Letting Activities					
Management & maintenance Administration Cost	(5,918,842)	-	-	(5,918,842)	(6,317,492)
Loss on write off historic components	(114,223)	-	-	(114,223)	(1,479,876)
Planned and cyclical maintenance including major repairs	(1,910,097)	(80,522)	-	(1,990,619)	(4,712,202)
Reactive Maintenance	(3,637,053)	(116,727)	-	(3,753,780)	(2,713,478)
Service Costs	(753,065)	(5,954)	-	(759,019)	(412,956)
Bad Debts- rents & Service Charges	(159,310)	-	-	(159,310)	(81,338)
Depreciation of Social Housing	(3,707,616)	-	-	(3,707,616)	(2,995,502)
Operating Costs of Social Letting	(16,200,206)	(203,203)	-	(16,403,409)	(18,712,844)
Operating Surplus/(Deficit) on Social Letting Activities	4,300,434	376,683	6,796	4,683,913	1,436,030
Operating surplus for affordable letting activities for previous reporting period	1,200,366	230,146	5,517	1,436,029	

Govanhill Housing Association Limited**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025****5. Board members and Key Officers' emoluments**

The officers are defined in Section 149 of the Co-operative and Community Benefit Societies Act 2014 as the Management Committee, the executive officers and employees of the Association reporting directly to the Director or Management Committee.

	2025	2024
	£	£
Emoluments payable to officers with emoluments greater Than £60,000 (excluding pension contributions)	340,085	390,090
Employer's pension contributions paid on behalf of officers With emoluments greater than £60,000	34,008	46,865
Total emoluments payable	374,093	436,955
	=====	=====

	2025	2024
	£	£
Aggregate emoluments payable to the Director (excluding pension contributions)	99,509	93,876
Employer's pension contributions paid on behalf of officers With emoluments greater than £60,000	9,950	11,735
Total emoluments payable	109,459	105,611
	=====	=====

The number of key management personnel whose emoluments, excluding pension contributions, were above £60,000 for the year was:

	2025	2024
	No.	No.
£60,001 to £70,000	-	-
£70,001 to £80,000	-	4
£80,001 to £90,000	3	-
£90,001 - £100,000	1	1
	=====	=====

6. Employee information

	2025	2024
	No.	No.
The average monthly number of full-time equivalent persons employed during the year was	67	67
	=====	=====
The average total number of employees employed during the year was	80	73
	=====	=====
	£	£
Staff costs were:		
Wages and salaries	3,186,619	2,893,221
Social security costs	282,372	231,792
Other pension costs	285,975	329,799
	3,754,966	3,454,812
	=====	=====

Govanhill Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

7. Gain/Loss on Disposals of Housing Stock	2025	2024
	£	£
Included in the operating surplus for the year are the following losses incurred		
On housing stock:	114,223	1,479,876
	=====	=====
8. Interest payable	2025	2024
	£	£
On bank loans and overdrafts	533,613	1,259,987
	=====	=====
9. Other finance charges	2025	2024
	£	£
Defined benefit pension (income)/costs	319,000	(462,000)
	=====	=====
10. Operating surplus before taxation	2025	2024
	£	£
Surplus on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation - tangible owned fixed assets	3,789,961	3,077,847
Amortisation - housing association grant	(1,580,145)	(1,577,573)
Auditors' remuneration - audit services	17,400	20,000
Operating lease rentals - other	8,400	8,400
	=====	=====

11. 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.

Govanhill Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

12. Fixed assets				
(a) Housing Properties				
	Housing properties held for letting	Housing properties in the course of construction	Shared equity properties held for letting	Total
Cost	£	£	£	£
As at 1 April 2024	156,667,645	9,625,811	135,086	166,428,542
Additions	866,710	15,264,415	-	16,131,125
Disposals	(451,160)	-	-	(451,160)
Transfers	6,760,644	(6,760,644)	-	-
As at 31 March 2025	163,843,839	18,129,582	135,086	182,108,507
Depreciation				
As at 1 April 2024	55,720,647	-	135,086	55,855,733
Charge for the year	3,707,616	-	-	3,707,616
On Disposals	(336,938)	-	-	(336,938)
As at 31 March 2025	59,091,325	-	135,086	59,226,411
Netbook Value				
As at 31 March 2025	104,752,513	18,129,582	-	122,882,095
As at 31 March 2024	100,946,932	9,625,811	-	110,572,743
Expenditure on works to existing properties				
			2025	2024
			£	£
Replacement component spend capitalised			10,489,521	3,789,605
Amounts charged to income and expenditure			676,080	2,602,310
Total major repairs spend			11,165,601	6,391,915

There were no capitalised interest or development administration costs.

The properties acquired at Second Stage Transfer on 31 January 2011 were included at fair value using EUV-SH basis of valuation.

The Association would not be able to sell these properties at these values without repaying Social Housing Grant from the proceeds of sale, but Social Housing Grant would be subordinated behind any private loans charged on these properties. Other grants received are repayable under certain circumstances.

Govanhill Housing Association Limited
NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2025
13. Fixed assets (continued)

Housing stock	2025 No.	2024 No.
The number of units of accommodation in management at the year-end was:		
General needs - rehabilitation	2,769	2,710
Supported housing	99	99
Shared equity	2	2
	<u>2,870</u>	<u>2,811</u>
	=====	=====

(b) Other tangible assets

	Heritable office property	Computer and office equipment	Commercial Premises	Total
Cost	£	£	£	£
As at 1 April 2024	3,425,433	1,048,782	81,990	4,556,205
Additions	-	34,809	-	34,809
Disposals	-	-	-	-
As at 31 March 2025	<u>3,425,433</u>	<u>1,083,591</u>	<u>81,990</u>	<u>4,591,014</u>
Depreciation				
As at 1 April 2024	1,258,907	883,657	25,831	2,168,395
Charge for the year	69,488	11,217	1,640	82,345
On Disposals	-	-	-	-
As at 31 March 2025	<u>1,328,395</u>	<u>894,874</u>	<u>27,471</u>	<u>2,250,740</u>
Netbook Value				
As at 31 March 2025	<u>2,097,038</u>	<u>188,717</u>	<u>54,519</u>	<u>2,340,274</u>
As at 31 March 2024	<u>2,166,526</u>	<u>165,122</u>	<u>56,162</u>	<u>2,387,810</u>

Grants received to fund the acquisition and development of commercial premises are repayable in certain circumstances. Where this arises from the sale of properties, repayment of the grant would be subordinated behind any private loan charged on these properties.

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

14. Investments	2025	2024
	£	£
Cost		
As at 1 April 2024 and 31 March 2025	100	100
	=====	=====

This represents a 100% Shareholding Govanhill Housing Association has in its subsidiary company. Govanhill Community Development Trust, a company registered in Scotland.

	2025	2024
	£	£
Aggregate capital and reserves		
Govanhill Community Development Trust	433,056	320,708
	=====	=====
Profit/(loss) for the year		
Govanhill Community Development Trust	42,348	17
	=====	=====

In the opinion of the Management Committee the aggregate value of the assets of the subsidiary is not less than the aggregate of the amounts at which those assets are stated in the Association's Statement of Financial Position.

15. Commitments under operating leases***The company as a lessee:***

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2025	2024
	£	£
Within 1 year	4,200	8,400
Between 1 and 2 years	-	4,200
Between 2 and 5 years	-	-
	=====	=====

Govanhill Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

16. Negative Goodwill

Housing stock	2025	2024
	£	£
As at 1 April 2024	2,978,735	3,059,243
Amortised in the year	(80,508)	(80,508)
As at 31 March 2025	2,898,227	2,978,735
	=====	=====

Govanhill Housing Association acquired 710 homes under a Second Stage Transfer arrangement from Glasgow Housing Association in 2011. Negative Goodwill amounting to £4,192,482 was created at that time. Due to Right to Buy disposals this was reduced to £4,029,016 before amortisation adjustments between 2011 and 2018.

17. Debtors	2025	2024
	£	£
Arrears of rent and service charges	556,095	435,842
<u>Less:</u> Provision for doubtful debts	(301,596)	(231,237)
	254,499	204,605
Prepayments and accrued income	382,201	336,006
Other debtors	575,818	671,282
Amounts owed by group undertakings	161,188	97,562
Capital grants receivable	-	841,395
	1,373,706	2,150,850
	=====	=====

18. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Housing loans (Note 19)	999,174	984,448
Trade creditors	1,158,193	1,371,906
Rent in advance	831,101	780,600
Other taxation and social security	75,731	68,882
Other creditors	111,642	105,573
Accruals and deferred income	699,380	536,888
Deferred Housing Association Grant (Note 17)	146,157	198,803
Deferred income due within one year	1,580,145	1,577,573
Factoring in advance	437,400	677,505
Pension creditor	4,238	56,094
	6,043,161	6,358,272
	=====	=====

Govanhill Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

19. Creditors: Amounts falling due after more than one year

	2025 £	2024 £
--	-----------	-----------

Housing loans	19,652,134	20,658,765
---------------	------------	------------

Included within housing loans is £84,750 of monies held on behalf of sharing owners who participated in the Shared Equity Scheme.

Housing loans are secured by specific charges on the Association's housing properties. The total of the secured items are 780 units. The interest rates of the bank loans range between fixed rate loans 2.9%-3.15%; and Base Plus loans +1.5%-1.85%

	2025 £	2024 £
Within one year	999,174	984,448
Between one and two years	1,015,964	1,015,964
Between two and five years	3,244,649	3,244,649
In five years or more	15,391,521	16,398,152
	-----	-----
	20,651,308	21,643,213
<u>Less:</u> Amount shown in current liabilities	(999,174)	(984,448)
	-----	-----
	19,652,134	20,658,765
	=====	=====

	2025 £	2024 £
Deferred Housing Association Grant		
Balance b/fwd	48,094,819	47,620,397
Additions in the year	1,279,610	1,991,645
Released in year	(1,519,795)	(1,517,223)
	-----	-----
Balance c/fwd	47,854,634	48,094,819
	=====	=====

Other Grants

Balance b/fwd	2,465,195	2,525,545
Additions in the year	-	-
Released in year	(60,350)	(60,350)
	-----	-----
Balance c/fwd	2,404,845	2,465,195
	=====	=====

Analysis of the grants are as follows:-

Within one year	1,580,145	1,577,573
Between one and two years	1,580,145	1,580,145
Between two and five years	4,740,435	4,740,435
In five years or more	41,534,054	41,774,239
	-----	-----
	49,434,779	49,672,392
<u>Less:</u> Amount shown in current liabilities	(1,580,145)	(1,577,573)
	-----	-----
	47,854,634	48,094,819
	=====	=====

Govanhill Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

20. Retirement Benefit Obligations

Scottish Housing Association Defined Benefit Scheme ("SHAPS")

Govanhill Housing Association Limited 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 last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A Recovery Plan has been put in place to eliminate the deficit which will run to either 30 September 2022 or 31 March 2023 (depending on funding levels) for the majority of employers, although certain employers have different arrangements.

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

For accounting purposes, two actuarial valuations for the scheme were carried out with effective dates of 31 March 2019 and 30 September 2019. The liability figure from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus at the accounting period start and end dates.

The Association has been notified by TPT Retirement Solutions of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2022. As of this date the estimated employer debt for the Association was £6,919.

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

	31 March 2025
Fair value of plan assets at start of period	7,895,000
Interest income	373,000
Member contributions	
Employer contributions	15,000
Benefits paid	(529,000)
Experience on plan assets (excluding amounts included in interest income) – gain	(513,000)
Fair value of plan assets at end of period	<u>7,241,000</u>

Govanhill Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

20. Retirement Benefit Obligations (continued)

Defined Benefit costs recognised in statement of comprehensive income

	31 March 2025
Current service cost	-
Expenses	15,000
Net interest expense	55,000
Defined benefit costs recognised in statement of comprehensive income (SoCI)	70,000

Defined Benefit costs recognised in other comprehensive income

	31 March 2025
Experience on plan assets (excluding amounts included in interest cost) – loss	(513,000)
Experience gains and losses arising on the plan liabilities – gain	(281,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations – gain	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations – gain	900,000
Total amount recognised in other comprehensive income – gain	106,000

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 has been advised to seek clarification from the Court on potential changes to the pension liability. The process is ongoing and the Association understands that the matter is unlikely to be resolved before the end of 2024 at the earliest. 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 Pensions Trust Growth Plan

Govanhill Housing Association Limited participates in TPT Retirement Solutions Growth Plan ("the Plan"). The Plan is funded and is a multi-employer pension plan which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Association to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

Govanhill Housing Association Limited paid contributions at the rate of 0% during the accounting period. Members paid contributions at an average rate of 20% during the accounting period. As at the balance sheet date there were 4 active members of the Plan employed by Govanhill Housing Association Limited. Govanhill Housing Association Limited continues to offer membership of the Plan to its employees.

Govanhill Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

20. Retirement Benefit Obligations (continued)

Strathclyde Pension Fund

As a result of the second stage transfer, 7 employees were transferred from Glasgow Housing Association Limited to Govanhill Housing Association Limited on January 31 2011. Of these 7 employees, 4 are current members of the Strathclyde Pension (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 GHA. Employees contribute between 5.1% and 6.9% of their salary. Employers' contributions were 25.17% for 2023-24 (2022-23: 25.17%).

Unfunded early retirement pension enhancements for which GHA 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 2025 were £5,000.

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 2023, 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.

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

	31 March 2025
Fair value of plan assets at start of period	2,368,000
Interest income	114,000
Plan participants' contributions	10,000
Employer contributions	5,000
Benefits paid	(32,000)
Experience on plan assets (excluding amounts included in interest income) – loss	(43,000)
Actuarial losses due to other experience	-
Fair value of plan assets at end of period	2,422,000

Defined Benefit costs recognised in statement of comprehensive income

	31 March 2025
Current service cost	32,000
Net interest expense	70,000
Defined benefit costs recognised in statement of comprehensive income (SoCI)	102,000

Govanhill Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

20. Retirement Benefit Obligations (continued)

Defined Benefit costs recognised in other comprehensive income

	31 March 2025
Experience on plan assets (excluding amounts included in interest income) – gain	(43,000)
Actuarial gains due to changes in demographic assumptions	9,000
Actuarial losses due to changes in financial assumptions	245,000
Actuarial losses due to other experience	2,000
Total amount recognised in other comprehensive income - loss	213,000

21. Statement of Cash Flows

Cash flows from operating activities

Cash generated from operations

	2025	2024
	£	£
Surplus for the year	5,018,168	1,853,780
Depreciation Charges	3,789,961	3,077,847
Amortisation of Goodwill	(80,508)	(80,508)
Amortisation of Grants	(1,580,145)	(1,577,573)
Decrease/(Increase) in Debtors	777,146	658,002
(Decrease)/Increase in Creditors	(329,751)	554,749
Non cash changes to employer pension costs	(89,000)	15,000
Net cash inflow from operating activities	7,505,871	4,501,297

22. Cash and cash equivalents

	At 1 April 2024 £	Movement in year £	At 31 March 2025 £
Cash at bank and in hand	15,805,383	(8,699,212)	7,106,171
	=====	=====	=====

Govanhill Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

22. Cash and cash equivalents (continued)

Analysis of changes in net debt

	At 1 April 2024 £	Cashflow Changes £	Other Non- Cashflow Changes £	At 31 March 2025 £
Cash and cash equivalents				
Cash at bank and in hand	15,805,383	(8,699,212)	-	7,106,171
Borrowings				
Debt due within one year	(984,448)	(14,726)	-	(999,174)
Debt due after one year	(20,658,765)	1,006,631		(19,652,134)
	(21,643,213)	991,905	-	(20,651,308)
Total	(5,837,830)	(7,707,307)	-	(13,545,137)

23. Share capital

	Ordinary Shares of £1 each issued and fully paid £
At 31 March 2024	259
Issued in the year	12
Revoked in year	(11)
At 31 March 2025	260

Each member of the Association holds one share of £1 in the Association. These shares carry no right to dividend or distribution 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.

24. Reserves

Share capital – represents the nominal value of shares that have been issued.
Revenue reserves – includes all current and previous retained surpluses.

Govanhill Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

25. Related party transactions

Members of the Management Committee are related parties of the Association as defined by the Financial Reporting Standard 102 (FRS102). Some members of the Management Committee are also tenants of the Association. Their tenancies are all on the same terms as for other tenants and no advantage can be gained from their position.

The Related Party relationship of the members of the Management Committee are summarised as:

- Members are Tenants of the Association
- Members are Factored Owners
- Management Committee members cannot use their position to their advantage.

Any transactions between the Association and any entity with which a Management Committee Member has a connection is made at arms' length and is under normal commercial terms

Transactions with Management Committee members are as follows:	2025	2024
	£	£
Rent received from tenants on the Committee:	34,732	38,049
Rent arrears owed by tenant members of the Committee	141	30
	-----	-----
Charges received from factored Owners on the Committee	1,334	1,634
Factors arrears owed by owner members of the Committee	-	609
	-----	-----

Transactions between the Association and its subsidiary, Govanhill Community Development Trust, are as follows:

	2025	2024
	£	£
Purchases	6,007	11,215
Sales	63,626	52,168
	-----	-----
Amounts due to	24,033	18,026
Amounts due by	161,188	97,562
	-----	-----

26. Group Financial Statements Exemption

From the period commencing 1 April 2015 the Association gained exemption from the Financial Conduct Authority for providing group financial statements. This was obtained under section 99 of the Co-operative and Community Benefit Societies Act 2014 and had the agreement of the Auditor. Taking advantage of this exemption is still considered appropriate.

Govanhill Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

27. Capital Commitments

	2025	2024
	£	£
Expenditure contracted less certified:	7,872,103	10,718,539
Funded by:		
Social housing grant	2,370,044	1,300,000
Other grant and contributions	75,785	9,418,539
Other funding	5,426,274	-
Expenditure authroised not contracted for less certified:	-	5,702,328
Funded by:		
Social housing grant	-	3,302,412
Other grant and contributions	-	2,399,916