

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

CT:

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

COMMITTEE OF MANAGEMENT, EXECUTIVES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2023

Committee of Management

S James	Chairperson - resigned 01.11.22
J Scott	Vice Chairperson - resigned 30.11.22 - Chairperson – appointed 30.11.22
D.Eadie	Appointed 21.09.22 - Vice Chairperson – appointed 30.11.22
M Symons	
M MacLaren	Renfrewshire Council representative
A Ballantine	
J Kerr	Resigned as Vice Chairperson 21.09.22
E McDermott	
T Thomson	Appointed 21.09.22
C Henry	Appointed 21.09.22
R Coelho	Co-opted 29.03.23
Y.Robbie	Resigned 08.12.22
A McLaughlin	Resigned 16.05.22
C Green	Resigned 25.01.23

Executives

J Grant	Chief Executive/Secretary	
L. Ferrie	Head of Housing	
O McMillan	Head of Property Services	Resigned 30.09.22
L Reynolds	Head of Property Services	Appointed 10.10.22
G Scott	Head of Development	
L Ramsay	Head of Finance & Corporate Services	

Registered Office

Ralston House
Cyril Street
Paisley
PA1 1RW

Auditor

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

Bankers

The Royal Bank of Scotland plc
Paisley Chief Office
1 Moncrieff Street
Paisley
PA3 2AW

Solicitor

Cochran Dickie
21 Moss Street
Paisley
PA1 1BX

CT:

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Registration information

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered number 1991RS
The Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered number HAL207
The Office of the Scottish Charity Regulator	Registered Scottish Charity No: SC035350

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The Management Committee presents its report, which incorporates the Strategic Report, and the audited financial statements for the year ended 31 March 2023.

Principal activities

Williamsburgh Housing Association (WHA) is an ambitious and forward thinking social housing provider and is one of Renfrewshire's leading housing association with a stock of over 1,680. The principal activity of the Association is the provision of rented accommodation and we also provide factoring services to homes and businesses in the Renfrewshire area. We recognise that to deliver our vision and deliver it well, we need to be open to change in order to meet the diverse needs of the wider community and respond to the changing environments our business and our residents currently operate in.

Vision, Mission Statement and Objectives

Our Vision:

W.H.A.'s aim is to be a leading and innovative provider of quality homes and housing services.

Our Mission Statement:

To provide and develop high quality affordable homes and to maintain our commitment to continuous improvement in service delivery and the regeneration of our communities.

Our Objectives:

The W.H.A. strategic objectives are set out in our Business Plan and provide the overall direction for the organisation. The Management Committee has set seven overarching objectives for the coming year:

1. More Homes - New-build programmes and deliberation of strategic acquisitions.
2. Sustainable Homes – Asset Management strategy & delivering capital replacement programmes.
3. Enhanced Governance - Implementation of a new Corporate Governance structure.
4. Engaged Colleagues – Investors in People accreditation, staff engagement survey.
5. Regenerated Communities – Delivering funded projects.
6. Excellent Services – Tenant engagement, customer service, digital transformation.
7. Value for Money – Develop strategy and deliver action plan.

There are significant opportunities for W.H.A. in taking forward the objectives. These include improvements to the quality and energy efficiency of the housing stock, improved staff engagement, new supply of much needed affordable housing, ensuring rents remain affordable, strong governance and regenerated communities.

Risk Management

The Association has a risk management policy in place with the principal risks and controlling actions being reviewed by the Management Committee. Each risk has its own individual risk assessment which identifies the risk rating, risk owner, risk description, controlling actions and a quarterly report providing any changes since the most recent review along with the next review date is reported to Management Committee. Set out below are the key risks facing the association and the mitigations and controls that are in place:

Key Risks	Mitigation/Controls
Increased Development costs and timing of cash flows	Budget and business financial planning Business plan stress testing
Unknown future stock investment and maintenance liabilities resulting from Climate Change obligations.	Stock conditioning surveys Asset Management database & strategy in place Contingencies made for unknown Climate Change costs
Significant and prolonged cost inflation	Stress testing of business plans Review life cycle periods and component costs Market testing
Health and Safety: Failure to comply with legislation relating to customer safety	Contractor monitoring and reporting procedures KPI's and regulatory reporting External review

**REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023**

2023/24 is set to be another busy year with lots of exciting plans to deliver, as we hopefully begin to see a reduction in inflation levels with recent price increases putting pressure on our operating cost base and causing delays to planned replacement projects. Our financial plan is designed to provide the assurance that we have the financial resources to implement any mitigating actions and cope with general financial shocks. Furthermore we stress test our 30 year plans including sensitivities and scenarios to assess the impact of risks with which to evaluate the long-term financial and development capacity.

Review of business and future development

2022/23 seen the association deliver and progress in many of our planned objectives including completing a stock condition survey, implementing an asset system, obtaining cyber essential plus accreditation and reviewing a wide range of our policies. Our financial results are strong despite the impact that high inflation levels have had on our business together with our reactive repairs contractor exiting the sector during 22/23 resulting in a period of temporarily increased costs to deliver the repair service. We aim to keep our rents as low as possible with a 3% rent increase applied in April 2022. A 5.5% increase has been made in April 2023 in order to meet increases in our delivery costs, however our rents remain one of the lowest in Renfrewshire and below the Scottish Average for other social housing providers.

We have also been working hard on keeping in touch with our tenants and engaging them on our plans and works due. We continue to embrace digital technology to communicate with tenants through social media, texting and our website as well as more traditional methods such as office opening, telephone and print newsletters (available on request).

Investment

W.H.A has an ongoing commitment to investment and improvement of our properties with the spend this year totalling £1.8m. This comprises of £0.5m in capitalised costs relating to new Kitchens, Bathrooms and Boilers, £0.5m on planned and cyclical maintenance and £0.8m on reactive maintenance. 2023/24 budget includes projected spend of £1.2m for capital replacement projects alone which includes a Windows programme previously delayed from last year, until we carried out a value for money assessment on the impact of increased costs on our 30 year plans.

Treasury Management

W.H.A's Treasury Management policy seeks to ensure that the association has access to sufficient resources to operate its business. Our policy has been updated in February 2023 in a manner that complies with best practice, as set out in the CIPFA Code of Practice for Treasury Management in the Public Services (the Code) and in line with the expectations of the Scottish Housing Regulator (SHR) as set out in the Standards of Governance and Financial Management. W.H.A's Finance, Audit & Corporate Service Sub Committee receive quarterly reports reviewing treasury management operations.

Reserves Policy

W.H.A's reserve policy is to reinvest surpluses in improving and expand our stock. This means that the majority of its reserves are tied up in property and not available in cash. The Association maintains a level of cash adequate to meet the day to day requirements of the business.

Development

We are delighted to have completed during 2022/23 the development of 42 new family homes, for affordable rent, at Albert Road, Renfrew, built by McTaggart Construction and completed on time and within budget. The new homes are a mixture of terrace and semi-detached properties, and are a mix of 3, 4 and 5 person properties along with two, specially designed, 4 person wheelchair bungalows. The project cost a total of £7.3m made possible by working in partnership with Renfrewshire Council and a grant of £3.3m from The Scottish Government's Affordable Housing Supply Programme.

Further development projects

Development projects currently in the pipeline are Cartha Crescent, Paisley (33 Units) and North Road, Johnstone (28 Units).

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2023

Key performance indicators (KPI's)

We continue to focus on our key performance indicators and achieve high standard of performance. The 2022/23 Annual Return on the Scottish Social Housing Charter (ARC) as submitted to The Scottish Housing Regulator are shown below and compared against 2021/22 results:

	2022/23	2021/22
% of tenants who feel that the rent for their property represents good value for money	92.95%	92.28%
% of tenants who were satisfied with the quality of their home	93.91%	91.96%
% of stock meeting the Scottish Housing Quality Standard	95.76%	82.62%
Average length of time (hours) to complete emergency repairs	1.61	1.77
Average length of time (hours) to complete non-emergency repairs	4.23	5.39
Average length of time (days) taken to re-let properties	29.63	34.82
% of rent lost through properties being empty in the last year	0.81%	0.63%
Rent collected from tenants as a percentage of total rent due in the year	100.18%	100.7%

The ARC return shows that 92.95% of our tenants believe that their rent represents good value for money.

Average response time for emergency repairs was under 2 hours and less than 5 days for non emergency repairs demonstrating our commitment to excellent services.

Subsidiary

The management Committee of Williamsburgh Housing Association Ltd during 2022/23 carried out a review of the subsidiary , Williamsburgh Property Series Ltd and opted to transfer the factoring service to Williamsburgh Housing Association Ltd. As a result the subsidiary stopped trading as of midnight 31st March 2023 and the factoring service is being provided by Williamsburgh Housing Association Ltd from 1st April 2023.

The scrutiny and reporting of the factoring service will now be the sole responsibility of the Management Committee of W.H.A. and as such quarterly reporting of KPIs, performance and financial performance/forecasts will be made via delegated authority to the Operations & Performance & the Finance, Audit & Corporate Services Sub-Committees. There is no change to the service provision for factored owners.

The members of the Management Committee and the Association's Executive Officers are satisfied with the Association's performance during the year. The surplus for the year was £942,898 (2022 – surplus of £2,913,617). Net assets stand at £35,721,311 (2022 - £34,778,411).

The Management Committee and executive officers

The Management Committee and executive officers of the Association are listed on the first page of the financial statements. Each member of the Management Committee holds one fully paid share of £1 each in the Association. The executive officers of the Association hold no interest in the Association's share capital and although not having the legal status of directors they act as executives within the authority delegated by the committee.

The Association is recognised by HM Revenue & Customs as a charity, and qualifies for the tax exemptions provided by Part 11 of the Corporation Tax Act 2010.

**REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023**

Statement of committee's responsibilities

The Management Committee is responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

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 income and expenditure of the Association for that period. In preparing these financial statements, the Management Committee is required to:

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

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable 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 Determination of Accounting Requirements 2019 as issued by the Scottish Housing Regulator. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The Management Committee is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditor

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

- So far as the Committee members are aware, there is no relevant information of which the Association's auditor is unaware; and
- Members have taken all the steps that ought to have taken as Committee members in order to make themselves aware of any relevant audit information, and to establish that the Association's auditor is aware of the information.

Corporate Governance

The Association has complied throughout the accounting period with the Code of Best Practice published by the Cadbury Committee on the Financial Aspects of Corporate Governance in 1992.

Charitable Donations

During the year, the Association made charitable donations amounting to £NIL (2022 - £Nil).

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED


**REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023**

Auditor

A resolution to re-appoint the auditors, CT, will be proposed at the Annual General Meeting.

The Report of the Management Committee (incorporating the Strategic Report) has been approved by the Management Committee:

By order of the Management Committee



John Scott
Chairperson

Date: 26th July 2023

Opinion

We have audited the financial statements of Williamsburgh Housing Association Limited (the 'Association') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Changes in Capital and Reserves, the Statement of Financial Position, the Statement of Cash Flows and the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator.

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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Management Committee

As explained more fully in the Statement of the Management Committee's Responsibilities set out on page 3 the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee 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 intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. 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 Section 87 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, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members, as a body, for our audit work, for this report, or for the opinions we have formed.



CT

Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

Date: 26th July 2023

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE'S STATEMENT OF INTERNAL FINANCIAL CONTROLS FOR THE YEAR ENDED 31 MARCH 2023

The Management Committee acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the various business environments in which it operates.

These controls are designed to give reasonable assurance with respect to:

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

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

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- Experienced and suitably qualified staff take responsibility for important business functions, and annual appraisal procedures have been established to maintain standards of performance;
- Forecasts and budgets are prepared regularly, which allow the Management Committee and staff to monitor the key business risks and progress towards financial plans set for the year and medium term;
- Regular management accounts are prepared timeously, providing relevant, reliable and up to date financial and other information and significant variances from budget are investigated where appropriate; and
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures.

The Management Committee reviews reports from the Director, staff and the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed.

Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Management Committee has confirmed the existence of the system of internal financial control in the Association for the year ended 31 March 2023.

By order of the Management Committee


John Scott
Chairperson

Date: 26th July 2023

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

REPORT OF THE AUDITOR TO THE MANAGEMENT COMMITTEE OF WILLIAMSBURGH HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH 2023

In addition to our audit of the Financial Statements, we have reviewed your statement on page 8 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 on corporate governance matters within Bulletin 2009/4 issued by the Financial Reporting Council. 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 8 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.

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



CT

Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

Date: 26th July 2023

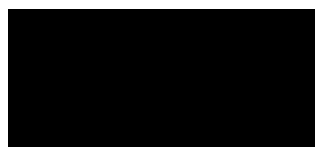
WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
Turnover	4	8,612,023	8,278,609
Operating expenditure	4	(7,215,769)	(6,572,417)
Operating surplus	4	1,396,254	1,706,192
Gain on sale of fixed assets	10	3,451	-
Interest receivable and other income	11	84,193	6,425
Interest payable and similar charges	12	-	(29,000)
Surplus for the year		1,483,898	1,683,617
Actuarial gain/(loss) in respect of pension scheme	23	(541,000)	1,230,000
Total comprehensive income for the year		942,898	2,913,617

The results for the year relate wholly to continuing activities.

The financial statements on pages 11 to 35 were authorised for issue by the Management Committee on 26th July 2023 and were signed on its behalf by:



Jonathan Grant
Secretary



John Scott
Chairperson



David Eadie
Vice Chairperson

The notes on pages 15 to 34 form part of these financial statements.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

**STATEMENT OF CHANGES IN CAPITAL AND RESERVES
AS AT 31 MARCH 2023**

	Share Capital £	Revenue Reserves £	Total Capital & Reserves £
Balance at 1 April 2022	83	34,778,328	34,778,411
Total comprehensive income		942,898	942,898
Shares issued during the year	3		3
Shares cancelled during the year	(1)		(1)
	<u>85</u>	<u>35,721,226</u>	<u>35,721,311</u>
Balance at 31 March 2023	<u>85</u>	<u>35,721,226</u>	<u>35,721,311</u>

**STATEMENT OF CHANGES IN CAPITAL AND RESERVES
AS AT 31 MARCH 2022**

	<i>Share Capital £</i>	<i>Revenue Reserves £</i>	<i>Total Capital & Reserves £</i>
<i>Balance at 1 April 2021</i>	89	31,864,711	31,864,800
<i>Total comprehensive income</i>	-	2,913,617	2,913,617
<i>Shares issued during the year</i>	2	-	2
<i>Shares cancelled during the year</i>	(8)	-	(8)
	<u>83</u>	<u>34,778,328</u>	<u>34,778,411</u>
<i>Balance at 31 March 2022</i>	<u>83</u>	<u>34,778,328</u>	<u>34,778,411</u>

The notes on pages 15 to 34 form part of these financial statements.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

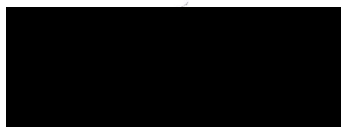
**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	Notes	2023 £	2022 £
Tangible fixed assets			
Housing properties	13	70,594,389	69,527,836
Other fixed assets	15	336,227	318,173
Investments	16	2	2
		<u>70,930,618</u>	<u>69,846,011</u>
Current assets			
Debtors	17	352,512	273,870
Cash and cash equivalents	18	9,708,576	11,495,646
		<u>10,061,088</u>	<u>11,769,516</u>
Creditors: amounts falling due within one year	19	<u>(3,296,295)</u>	<u>(3,421,720)</u>
Net current assets		<u>6,764,793</u>	<u>8,347,796</u>
Total assets less current liabilities		<u>77,695,411</u>	<u>78,193,807</u>
Creditors: amounts falling due after more than one year	20	<u>(41,588,100)</u>	<u>(43,356,396)</u>
Pension – defined benefit liability	23	<u>(386,000)</u>	<u>(59,000)</u>
Net assets		<u><u>35,721,311</u></u>	<u><u>34,778,411</u></u>
Capital and reserves			
Share capital	22	85	83
Revenue reserves		<u>35,721,226</u>	<u>34,778,328</u>
		<u><u>35,721,311</u></u>	<u><u>34,778,411</u></u>

The financial statements on pages 11 to 35 were authorised for issue by the Management Committee on 26th July 2023 and were signed on its behalf by:



Jonathan Grant
Secretary



John Scott
Chairperson



David Eadie
Vice Chairperson

The notes on pages 15 to 34 form part of these financial statements.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	£	2023 £	2022 restated £
Net cash generated from operating activities	24	2,174,179	3,395,038	
Cash flow from investing activities				
Purchase of property, plant & equipment		(4,049,945)	(3,881,973)	
Proceeds from sale of property, plant & equipment		6,500	-	
Grants received		-	2,563,601	
Interest received		82,193	6,425	
		(3,961,252)	(1,311,947)	
Cash flow from financing activities				
Interest paid		-	-	
Repayment of borrowings		-	-	
Issue of share capital		3	2	
		3	2	
Net change in cash and cash equivalents		(1,787,070)		2,083,093
Cash and cash equivalents at 1 April		11,495,646		9,412,553
Cash and cash equivalents at 31 March		9,708,576		11,495,646

(i) Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	Other non- cash changes £	At 31 March 2023 £
Cash and cash equivalents				
Cash	11,495,646	(1,787,070)	-	9,708,576
Overdrafts	-	-	-	-
Cash equivalents	-	-	-	-
Total	11,495,646	(1,787,070)	-	9,708,576

The notes on pages 15 to 34 form part of these financial statements.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Housing Requirements 2019 as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018. The principal accounting policies are set out below.

The preparation of these financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see note 3).

The presentation currency is pounds sterling and the financial statements are rounded to the nearest whole number.

The Association is a Co-operative and Community Benefit Society limited by shares and is incorporated in the United Kingdom. The Association is a registered social landlord in Scotland and its registered number is HAL207. The registered address is Ralston House, Cyril Street, Paisley, PA1 1RW.

The Association is defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities.

2. Principal Accounting Policies

(a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

The effect of events relating to the year ended 31 March 2023, which occurred before the date of approval of the financial statements by the Management Committee have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2023 and of the results for the year ended on that date. The Association has a subsidiary company, Williamsburgh Property Services Limited, however, due to the immaterial nature of the subsidiary's transactions, consolidated financial statements have not been prepared. The subsidiary stopped trading on 31st March 2023 and the factoring service will be provided by Williamsburgh Housing Association Ltd as from 1st April 2023. The closing balances from the Balance Sheet of Williamsburgh Property Services Ltd as at 31st March 2023 have been transferred to Williamsburgh Housing Association Ltd and are included in the Statement of Financial Position.

(b) Going concern

The Association has shown a strong surplus year on year and the Committee believes that the Association will carry on this trend for the foreseeable future. In addition to this, the Association has a strong net current assets position. The assessment of going concern includes the review of 30 year plans and the impact that recent inflation increases have had on the association. The Management Committee have therefore adopted the going concern basis in preparing the financial statements.

2. Principal Accounting Policies (continued)

(c) Turnover

Turnover represents rental and service charge income receivable and fees or revenue grants receivable from local authorities and from the Scottish Government. Income from rental and service charges is recognised when the Association is entitled to it, it is probable it will be received and it can be measured reliably.

Income from revenue grants receivable have been covered in a separate accounting policy below.

(d) Apportionment of management expenses

Direct employee, administration and operating expenditure have been apportioned to the relevant sections of the Statement of Comprehensive Income on the basis of costs of staff directly attributable to the operations dealt with in the financial statements.

The costs of cyclical and major repairs are charged to the Statement of Comprehensive Income in the year in which they are incurred.

(e) Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income using the effective interest method.

(f) Interest payable

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

(g) Tangible fixed assets - housing properties

Housing properties are stated at historical cost less accumulated depreciation. The development cost of housing properties includes the following:

- (i) cost of acquiring land and buildings;
- (ii) development expenditure; and
- (iii) internal administrative costs relating to the acquisition and development of housing properties.

These costs are termed "qualifying costs" by the Scottish Government for approved Housing Association Grant.

Expenditure on schemes is written off in the year unless it is recognised that the schemes will be developed to completion.

Refurbishment expenditure on existing properties is capitalised to the extent that the expenditure represents improvements to the properties or replacement of components.

(h) Impairment of fixed assets

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

2. Principal Accounting Policies (continued)

(i) Depreciation

Housing land and buildings

Each housing unit has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected economic useful life. The following major components and useful lives have been identified by the Association:

Land - not depreciated

Structure	- over 50 years
Windows	- over 30 years
Bathrooms	- over 20 years
Pipework	- over 12 years
Kitchen	- over 15 years
Boilers	- over 12 years
Roofs	- over 40 years

Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation. Depreciation is charged by equal annual instalments at rates estimated to write off costs less any residual value over their expected useful lives. The following rates have been used:

Furniture & Fittings	- 10-20% per annum on cost
Vehicle	- 20% per annum on cost
Office premises	- 4-20% per annum on cost

(j) Development Administration Costs

Development administration costs relating to development activities are capitalised based on an apportionment of the staff time spent on this activity.

(k) Investments

The fixed asset investment relates to the investment in the subsidiary company, Williamsburgh Property Services Limited, a company registered in Scotland to whose principal activity is that of provision of factoring property services to owners. Williamsburgh Property Services Limited stopped trading as of midnight 31 March 2023 and from 1 April 2023 the factoring service will be provided by Williamsburgh Housing Association.

(l) Debtors

Short term debtors are measured at transaction price, less any impairment.

(m) Rental arrears

Rental arrears represent amounts due by tenants for rental of social housing properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in Note 17.

(n) Cash and cash equivalents

Cash comprises cash at bank and in hand and deposits repayable on demand.

2. Principal Accounting Policies (continued)

(o) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(p) Government Capital Grants

Government Capital Grants, at amounts approved by the Scottish Government or local authorities, are paid directly to the Association as required to meet its liabilities during the development process. This is treated as a deferred capital grant and is released to income in accordance with the accrual model over the useful life of the asset it relates to on completion of the development phase. The accrual model requires the Association to recognise income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

(q) Government Revenue Grants

Government revenue grants are recognised using the accrual model which means the Association recognises the grant in income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

(r) Non-Government Capital and Revenue Grants

Non-government capital and revenue grants are recognised using the performance model. If there are no performance conditions attached the grants are recognised as revenue when the Association is entitled to them, it is probable they will be received and they can be measured reliably.

A grant that imposes specific future performance related conditions on the recipient is recognised as revenue only when the performance related conditions are met.

A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

(s) Operating Leases

Rentals paid under operating leases are charged to the statement of comprehensive income as they are incurred.

2. Principal Accounting Policies (continued)

(t) Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a rental arrear deferred beyond normal Association terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets are derecognised when contractual rights to the cash flows from the assets expire, or when the Association has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

(u) Pensions (Note 23)

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

The SHAPS is accounted for as a defined benefit scheme and as such 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 is included within other finance costs/income. Actuarial gains and losses arising from new valuations and from updating valuations to the reporting date are recognised in Other Comprehensive Income.

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 reporting 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 on 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 reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Principal Accounting Policies (continued)

(v) Sale of housing properties

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

3. Judgements in applying policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The members of the Management Committee consider the following to be critical judgements in preparing the financial statements:

- The categorisation of housing properties as property, plant and equipment in line with the requirements of the SORP;
- The amount disclosed as 'operating profit' is representative of activities that would normally be regarded as 'operating'; and
- The identification of a cash-generating unit for impairment purposes.

The Management Committee are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate

Basis of estimation

Useful lives of property, plant and equipment.

The useful lives of property, plant and equipment are based on the knowledge of senior management at the Association, with reference to expected asset life cycles.

The main components of housing properties and their useful lives.

The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on expected asset life cycles.

Recoverable amount of rental and other trade receivables.

Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.

The obligations under the SHAPS defined benefit pension scheme.

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

The impairment of housing properties

At each reporting date, experienced senior management team shall determine whether housing properties are impaired by comparing carrying value against depreciated replacement cost.

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Particulars of turnover, operating expenditure and operating surplus/(deficit)

	Notes	Turnover £	Operating Expenditure £	2023 Operating Surplus/ (Deficit) £	Turnover £	Operating Expenditure £	2022 Operating Surplus/ (Deficit) £
Affordable lettings	5	8,578,642	7,087,755	1,490,887	8,264,195	6,479,919	1,784,276
Other activities	6	33,381	128,015	(94,634)	14,414	92,498	(78,084)
		<u>8,612,023</u>	<u>7,215,770</u>	<u>1,396,253</u>	<u>8,278,609</u>	<u>6,572,417</u>	<u>1,706,192</u>

There are no other accommodation types other than General Needs and Supported Housing.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Particulars of turnover, operating expenditure and operating surplus from affordable letting activities

	General Needs Housing £	Supported Housing £	2023 Total £	2022 Total £
Income from rent and service charges				
Rent receivable net of service charge	6,464,729	145,846	6,610,575	6,351,765
Service charges	181,843	15,432	197,275	177,083
Gross income from rents and service charges	6,646,572	161,278	6,807,850	6,528,848
Less voids	(59,757)	-	(59,757)	(43,684)
Net income from rents and service charges	6,586,815	161,278	6,748,093	6,485,164
Release of deferred Government capital grants	1,719,615	48,798	1,768,413	1,706,027
Grants from the Scottish Ministers	62,136	-	62,136	73,004
Total turnover from affordable letting activities	8,368,566	210,076	8,578,642	8,264,195
Expenditure				
Management and maintenance administration costs	(2,469,072)	(61,981)	(2,531,053)	(2,463,061)
Service charges	(218,194)	(12,809)	(231,003)	(163,098)
Planned and cyclical maintenance costs	(528,726)	(13,273)	(541,999)	(452,454)
Reactive maintenance costs	(826,805)	(20,755)	(847,560)	(640,767)
Bad debts – rent and service charges	(44,117)	(1,107)	(45,224)	(36,449)
Depreciation of social housing	(2,821,124)	(69,792)	(2,890,916)	(2,724,090)
Operating expenditure for affordable letting activities	(6,908,038)	(179,717)	(7,087,755)	(6,479,919)
Operating Surplus on affordable letting activities 2023	1,460,528	30,359	1,490,887	1,784,276
Operating Surplus on affordable letting activities 2022 – restated	1,752,204	32,072		1,784,276

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Particulars of turnover, operating expenditure and operating surplus/(deficit) from other activities

	2023		2021		2023		2022	
	Grants from Scottish Ministers £	Other revenue grants £	Other income £	Total Turnover £	Other operating expenditure £	Operating surplus/ (deficit) £	Operating surplus/ (deficit) £	
Wider role activities *		32,350	-	32,350	14,381	83,712	(30,429)	
Care and repair of property	-	-	-	-	-	-	-	
Factoring	-	-	-	-	-	-	-	
Development and construction of property activities	-	-	-	-	-	44,302	(47,688)	
Support activities	-	-	-	-	-	-	-	
Care activities	-	-	-	-	-	-	-	
Agency/management services for RSLs	-	-	-	-	-	-	-	
Other agency /management services	-	-	-	-	-	-	-	
Developments for sale to RSLs	-	-	-	-	-	-	-	
Development and improvements for sale to non RSLs	-	-	-	-	-	-	-	
Other activities	-	-	1,031	1,031	33	-	33	
Total from other activities 2023				33,381		128,014	(94,633)	
Total from other activities 2022	4,400	9,981	33	14,414			(78,084)	

* Undertaken to support the community, other than the provision, construction, improvement and management of housing.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**7. Directors' Emoluments**

The directors are defined as the members of the Committee of Management, the Director and any other person reporting directly to the Director or the Committee of Management whose total emoluments exceed £60,000 per year. No emoluments were paid to any member of the Committee of Management during the year (2022 – none). The Association considers key management personnel to be the Committee of Management and senior management team (Executives) of the Association only.

	2023 £	2022 £
Emoluments of the former Director (excluding pension contributions)	-	50,763
Total expenses reimbursed insofar as not chargeable to UK income tax	-	-
Emoluments of the current Director (excluding pension contributions)	79,026	6,229
Total expenses reimbursed insofar as not chargeable to UK income tax	-	-

The director is an ordinary member of the Association's defined contribution pension scheme. No enhanced or special terms apply to membership and they have no other pension arrangements to which the Association contributes. The Association's contributions for the Director were £7,858 (2022 - £620).

The emoluments of key management (excluding pension contributions and including benefits in kind) for the year were £332,776 (2022 - £304,022). Their employers' NI contributions for the year were £39,038 (2022 - £36,224) and their pension contributions for the year were £51,379 (2022 - £58,670).

The emoluments of key management whose total emoluments exceed £60,000 (excluding pension contributions and including benefits in kind) for the year were £209,293 (2022 - £132,548). Their employers' NI contributions for the year were £25,172 (2022 - £15,848) and their pension contributions for the year were £31,661 (2022 - £26,314).

The number of key management whose emoluments exceed £60,000 in the year are as follows:

	2023 Number	2022 Number
£60,000 - £69,999	2	2
£70,000 - £79,999	1	-
£80,000 - £89,999	-	-
£90,000 - £99,999	-	-
Committee Members Expenses	1,407	128

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. Employee Information	2023 Number	2022 Number
The average number of full-time equivalent employees during the year was:	39.1	36.2
Staff costs during year:		
Wages and salaries	1,614,381	1,410,220
Social security costs	165,034	147,224
Pension costs	229,922	233,607
Defined benefit pension liability – staff service costs (note 22)	(44,063)	161,091
Agency costs	2,696	60,278
	1,967,970	2,012,420
9. Operating surplus	£	£
Operating surplus is stated after charging:		
Depreciation on tangible fixed assets	2,962,291	2,784,800
Auditor's remuneration – audit fees	13,824	13,344
Auditor's remuneration – non-audit fees	384	672
Operating leases	5,710	5,710
10. Gain on disposal of property, plant and equipment	2023 £	2022 £
Vehicle disposal	3,451	-
	3,451	-
11. Interest receivable and other income	2023 £	2022 £
Bank interest receivable	82,193	6,425
Defined benefit pension liability – interest gain (Note 23)	2,000	-
	84,193	6,425
12. Interest payable and similar charges	2023 £	2022 £
On bank loans and overdrafts	-	-
Defined benefit pension liability – interest charge (Note 23)	-	29,000
	-	29,000

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. Tangible Fixed Assets - Housing properties	Housing Properties Held for Letting £	Housing Properties under Construction £	Total £
Cost			
As at 1 April 2022	116,859,319	4,269,457	121,128,776
Additions during year:			
Property transfer from construction	7,388,124	(7,388,124)	-
Property			
Components	571,060	3,386,411	3,957,471
Disposals during year:			
Property			
Components	(374,460)		(374,460)
As at 31 March 2023	124,444,043	267,744	124,711,787
Depreciation			
As at 1 April 2022	51,600,940	-	51,600,940
Charge for the year	2,868,672		2,868,672
Disposals during year:			
- Property			
- Components	(352,214)		(352,214)
As at 31 March 2023	54,117,398	-	54,117,398
Net Book Value			
As at 31 March 2023	70,326,645	267,744	70,594,389
As at 31 March 2022	65,258,379	4,269,457	69,527,836

Additions to Housing Properties during the year includes no capitalised interest (2021 - £nil) and £54,343 capitalised administration costs (2022 - £53,361). All housing properties are freehold. Properties with a cost of £nil (2022 - £nil) and accumulated depreciation of £nil (2022 - £nil) were disposed of in the year for net proceeds (after grant repaid of £nil) of £nil (2022 - £nil).

Components with a cost of £374,460 (2022 - £200,615) and accumulated depreciation of £352,214 (2022 - £191,941) were disposed of in the year.

Included in housing properties is land with a historic cost allocation of £7,693,549 (2021 - £7,168,549).

14. Housing Stock

The number of housing units in management as at 31 March 2023 was:

	2023 Number	2022 Number Restated
General Needs Housing	1,644	1,602
Supported Housing	37	37
Total Units	1,681	1,639

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Tangible Fixed Assets - Other fixed assets

	Office Premises £	Office Vehicle £	Furniture & Fittings £	Total £
Cost				
At 31 March 2022	436,257	15,244	518,223	969,724
Additions during year	-	38,548	53,928	92,476
Disposals	-	(15,244)	(4,412)	(19,656)
At 31 March 2022	436,257	38,548	567,739	1,042,544
Depreciation				
At 1 April 2022	356,594	12,196	282,761	651,551
Charge for year	14,818	7,710	48,577	71,105
On disposals	-	(12,195)	(4,144)	(16,339)
At 31 March 2023	371,412	7,711	327,194	706,317
Net Book Value				
At 31 March 2023	64,845	30,837	240,545	336,227
At 31 March 2022	79,663	3,049	235,461	318,173

16. Investments

	2023 £	2022 £
Investment in subsidiary undertaking	2	2

During 2005/06 Williamsburgh Housing Association Limited acquired 2 ordinary £1 shares in Williamsburgh Property Services Limited. This represents a 100% shareholding in Williamsburgh Property Services Limited, a company registered in Scotland, whose principal activity is that of provision of factoring property services to owners. The registered address is Ralston House, Cyril Street, Paisley, PA1 1RW. Williamsburgh Property Services Ltd stopped trading as at midnight 31 March 2023 and an application to strike off the subsidiary will be made after a three month stand still period.

As at 31 March 2023 the capital and reserves and results for the year of Williamsburgh Property Services Limited were:

	2023 £	2022 £
Capital and reserves	2	2
Profit for the year	-	-

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. Debtors	2023 £	2022 £
Arrears of rent and service charges	297,046	307,401
Less: provision for doubtful debts	(181,642)	(186,960)
	115,404	120,441
Other debtors	32,545	-
Amounts due from subsidiary	-	30,199
Prepayments and accrued income	204,563	123,230
	352,512	273,870
18 Cash and cash equivalents	2023 £	2022 £
Current accounts	2,619,289	3,474,999
Deposit accounts	7,089,200	8,020,647
Cash in hand	87	-
	9,708,576	11,495,646
19. Creditors – Amounts falling due within one year	2023 £	2022 £
Other taxes and social security costs	47,105	38,727
Owed to contractors	673,256	945,266
Rents and service charges in advance	567,141	504,865
Trade creditors	88,711	33,837
Sundry creditors and accruals	160,454	139,282
Amounts due to subsidiary	2	-
Deferred Government capital grants	1,759,626	1,759,743
	3,296,295	3,421,720

Pension contributions of £NIL were outstanding at the year-end (2022 - £61,039).

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

20. Creditors – Amounts falling due after one year	2023 £	2022 £
Deferred Government capital grants	41,588,100	43,356,396
	41,588,100	43,356,396
21. Deferred capital grants	2023 £	2022 £
Deferred capital grants at 1 April	45,116,139	44,258,565
Grants received in year	-	2,563,601
Released to income in year	(1,768,413)	(1,706,027)
Deferred capital grants at 31 March	43,347,726	45,116,139
	2023 £	2022 £
Split:		
Due within one year	1,759,626	1,759,743
Due between one and two years	1,744,323	1,751,573
Due between two and five years	5,122,980	5,147,018
Due after five years	34,720,797	36,457,805
	43,347,726	45,116,139
22. Share capital	2023 £	2022 £
Shares of £1 each fully paid and issued as at 1 April	83	89
Shares issued in year	3	2
Shares cancelled in year	(1)	(8)
As at 31 March	85	83

All shares are non-withdrawable and do not carry any right to interest or dividend.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

23. Retirement Benefit Obligations

Williamsburgh Housing Association Limited (the Association) participates in the Scottish Housing Associations' Pension Scheme (the "Scheme").

The Scheme is a multi-employer defined benefit scheme which provides benefits to some 150 non-associated employers. The Scheme is funded. 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 offers six benefit structures to employers, namely:

- Final salary with a 1/60th accrual rate;
- Career average revalued earnings with a 1/60th accrual rate;
- Career average revalued earnings with a 1/70th accrual rate;
- Career average revalued earnings with a 1/80th accrual rate;
- Career average revalued earnings with a 1/120th accrual rate contracted in; and
- Defined Contribution (DC) option.

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year). The DC option can be introduced by the employer on the first day of any month after giving a minimum of three months' prior notice.

Williamsburgh Housing Association Limited has elected to continue to operate the final salary with a 1/60th accrual rate for existing members, note the scheme was closed to new entrants from 31 March 2021. During the accounting period the Association paid DB contributions at the rate of 18.4% of pensionable salaries. Member contributions were 14.0% and at the Statement of Financial Position date there were 23 (2022 -25) active members of the DB Scheme.

Additionally, the Association elected to introduce the DC option to staff from 1 July 2018. The Association pays contributions at the rate of 10.45% of pensionable salaries and member contributions pay a minimum of 5% with new staff members automatically auto enrolled into the DC scheme. At the Statement of Financial Position date there were 17 (2022 – 11) active members of the DC Scheme

The Trustees commission an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, so that the Scheme can meet its pension obligations as they fall due.

The last triennial valuation of the Scheme for funding purposes was carried out as at 30 September 2021 and has produced a net deficit of £27m –(equivalent to a funding level of 98%). A Recovery Plan was previously in place to eliminate the deficit which ran to 30 September 2022 for the majority of employers, although certain employers have different arrangements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

23. Retirement Benefit Obligations (continued)

The SHAPS defined benefit pension liability is accounted for as a defined benefit pension scheme from 1 April 2018 onwards. In accordance with FRS 102 section 28, the operating and financing costs of pension and post retirement schemes (determined by TPT) are recognised separately in the Statement of Comprehensive Income. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The difference between actual and expected returns on assets during the year, including changes in the actuarial assumptions, is recognised in Other Comprehensive Income.

In May 2021 the Scheme Trustee (TPT Retirement Solutions) notified employers of a review of historic scheme benefit changes, and this review has raised legal questions regarding whether and when some historic benefit changes should take effect, the outcome for which could give rise to an increase in liabilities for some employers. The Scheme Trustee has determined that it is prudent to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before late 2024 at the earliest.

On 21 March 2023 the Scheme Trustee issued an update to employers which included an estimate of the potential total additional liabilities at the total scheme level estimating that this could potentially increase the value of the full Scheme liabilities by £27m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

In 2019 the Pensions Trust, the administrator of the scheme, developed a method of determining the share of asset and liabilities for individual employers. This method was adopted by the Association in 2019 and resulted in an adjustment to the opening pension liability recognised in the statement of financial position of (£576,000).

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	31 March 2023	31 March 2022
	£'000	£'000
Fair value of plan assets	7,396	<i>13,100</i>
Present value of defined benefit obligation	(7,782)	<i>(13,159)</i>
Defined benefit liability to be recognised	(386)	<i>(59)</i>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

23. Retirement Benefit Obligations (continued)

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Defined benefit obligation at start of period	(13,159)	(13,723)
Current service cost	(262)	(331)
Expenses	(11)	(10)
Interest expense	(356)	(303)
Contributions by plan participants	(66)	(122)
Actuarial gain/(losses) due to scheme experience	1,411	7
Actuarial losses due to changes in demographic assumptions	162	(40)
Actuarial gains/(losses) due to changes in financial assumptions	3,400	1,182
Benefits paid and expenses	1,099	181
Defined benefit liability at the end of the period	(7,782)	(13,159)

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

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Fair value of plan assets at start of the period	13,100	12,298
Interest income	358	274
Experience on plan assets (excluding amounts included in interest income) - gain	(5,514)	81
Contributions by the employer	485	506
Contributions by plan participants	66	122
Benefits paid and expenses	(1,099)	(181)
Fair value of plan assets at end of period	7,396	13,100

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Current service cost	262	331
Admin expenses	11	10
Net interest expense	(2)	29
Defined benefit costs recognised in Statement of Comprehensive Income	271	370

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

23. Retirement Benefit Obligations (continued)

Defined benefit costs recognised in Other Comprehensive Income

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Experience on plan assets (excluding amounts included in net interest – gain)	(5,514)	81
Experience gains and losses arising on the plan liabilities – gain	1,411	7
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - losses	162	(40)
Effects of changes in the financial assumptions underlying the present Value of the defined benefit obligation – gain/(loss)	3,400	1,182
Total amount recognised in other comprehensive income – gain/ (loss)	(541)	1,230

Fund allocation for employer's calculated share of assets

	31 March 2023 £'000	31 March 2022 £'000
Global Equity	195	2,590
Absolute Return	101	601
Distressed Opportunities	227	470
Credit Relative Value	282	420
Alternative Risk Premia	43	541
Index Linked All Stock Gilts	3,132	3,170
Emerging Markets Debt	57	488
Risk Sharing	539	427
Insurance-Linked Securities	206	275
Property	308	339
Infrastructure	797	818
Private Debt	330	330
Opportunistic Liquid Credit	327	434
High Yield	37	127
Opportunistic Credit	-	46
Cash	31	36
Corporate Bond Fund	10	828
Liquid Credit	-	84
Long Lease Property	248	377
Secured Income	495	700
Over 15 Year Gilts	-	5
Liability Driven Investment	14	(48)
Net Current Assets	17	42
Total Assets	7,396	13,100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**23. Retirement Benefit Obligations (continued)****Employer debt on withdrawal**

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Association has been notified by TPT of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2022. As of this date the estimated employer debt for the Association was £3,545,213 (2022 - £5,879,303).

	2023 £	2022 £
24. Net Cash Flow from Operating Activities		
Surplus for the year	1,483,898	1,683,617
<u>Adjustment for non-cash items:</u>		
Depreciation of tangible fixed assets including loss on disposal of components	2,962,291	2,789,581
Decrease/(increase) in trade and other debtors	(78,642)	(18,254)
(Increase)/decrease in trade and other creditors	(125,310)	788,555
Interest charge in respect of the defined benefit pension liability	(2,000)	29,000
Staff service costs in respect of the defined benefit pension liability	(44,063)	161,090
<u>Adjustments for investing and financing activities:</u>		
Net proceeds from sale of tangible fixed assets	(3,451)	
Interest payable	-	-
Interest received	(82,193)	(6,425)
Release of deferred Government capital grants	(1,768,413)	(1,706,027)
SHAPS past service deficit payment	(167,937)	(326,091)
Shares cancelled	(1)	(8)
Net cash inflow from operating activities	<u>2,174,179</u>	<u>3,395,038</u>

WILLIAMSBURGH HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

25. Capital Commitments	2023 £	2022 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	177,168	339,929
The above commitments will be financed by:		
Association's reserves	177,168	339,929

26. Other Financial Commitments

At 31 March 2023, the Association had total commitments under non-cancellable operating leases as detailed below:

	2023 £	2022 £
Within 1 year	5,710	5,710
Between 2 and 5 years	13,800	19,510
Over 5 years	-	-
Total	19,510	25,220

27. Related Party Transactions

There are two tenant members and eight non-tenant members of the Management Committee. Of the eight Committee members who are non-tenants one is a representative of Renfrewshire Council. All transactions with members of the Management Committee are carried out at arm's length. Williamsburgh Housing Association Limited provided agency services to Williamsburgh Property Services Limited during 2022/23. Costs of services provision were recharged to Williamsburgh Property Services Limited. During the year, costs amounting to £70,461 (2022 - £67,192) were recharged to Williamsburgh Property Services Limited. £nil (2022 - £nil) was gift aided from Williamsburgh Property Services Limited to Williamsburgh Housing Association Limited. As at 31 March 2023, Williamsburgh Housing Association Limited was owed £NIL (2022 - £30,199) by Williamsburgh Property Services Limited with Williamsburgh Property Services ceasing trading as at 31 March 2023, all balances have been transferred to the parent company.

Management committee members

As detailed above, the Association has Management Committee members who are also tenants. The total rent charged in the year relating to tenant Management Committee members is £9,990 (2022 - £7,896). The total rent arrears relating to tenant Management Committee members included within debtors at the year-end is £nil (2022 - £nil). The total prepaid rent relating to tenant Management Committee members included within creditors is £412 (2022 - £525).