

QUEENS CROSS HOUSING ASSOCIATION LIMITED

RSL Accounts

Registered Number: SP1860RS

Report and Financial Statements

For the year ended 31 March 2025

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report and Financial Statements

For the year ended 31 March 2025

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Registration information

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered number SP1860RS
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered number 172
Registered Scottish Charity	SC036434

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report) For year ended 31 March 2025

Board, Executives and Advisers

Board of Management – elected

Andrew Burns	Chair
David Horner	
Sadie Gordon	Vice Chair
Margaret Glass	
Anne Ramsey	Vice Chair
Ian Elrick	
John McIntyre	
Matthew Millar	
John Dunn	
Chibuzo Eheize	

Executive Officers

Shona Stephen	Chief Executive
Neil Manley	Director of Finance and Corporate Support
Heather Anderson	Director of Neighbourhood Services
Philip Daws	Director of Property and Assets

Registered Office

45 Firhill Road
Glasgow
G20 7BE

Auditor

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

Bankers

Clydesdale Bank plc
1 Woodside Crescent
Charing Cross
Glasgow
G3 7UL

Solicitors

T C Young
7 West George St
Glasgow
G2 1BA

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report) For year ended 31 March 2025

The Board of Management present their Strategic Report and the audited financial statements for the year ended 31 March 2025.

Overview

Queens Cross Housing Association Limited is a social landlord and registered charity operating in the Queens Cross, Woodside, Westercommon/Hamiltonhill and Dundasvale areas of North West Glasgow. The Association was formed in 1976 with the aim of providing high quality social housing and is parent organisation of the Queens Cross Group. The group refers to Queens Cross Housing Association Limited, Queens Cross Factoring Limited, Queens Cross Workspace Ltd and Q.C. Consultants & Project Managers Limited. The association's fully owned factoring subsidiary company Queens Cross Factoring Limited provides a factoring service to over 2,506 owners of property in the area. Queens Cross Workspace Limited promotes economic regeneration in the area through the development of rented commercial space and through the provision of training and other financial support.

The Group's main business is the provision of long term affordable rented housing, the provision of housing support for those who need additional help, property management for property owners and the rental of mid-market housing properties. The housing support service is currently funded by a combination of HSCP grant, self-directed support personalisation budgets from Glasgow City Council and service charge income.

The association owned outright 4,359 properties as at 31 March 2025 and manages the tenancies for the majority of these homes. The association also has a share in 31 shared ownership units. Within this total stock the association leases 127 units/bed spaces to other care providers who manage these tenancies. Of the total stock over 500 units are dedicated to the provision of supported housing to care groups such as older people, people experiencing mental health related issues and young people.

The association, since its incorporation in 1977, has increased its housing stock through both construction, funded through grant and loan finance, and by stock transfer from other bodies such as Scottish Homes, Glasgow City Council (GCC) and Glasgow Housing Association Limited (GHA). The association completed two stock transfers from Glasgow Housing Association Limited in 2011 and 2012 with over 1500 homes transferring. The Association continues to have an active development programme with 309 new homes built in a mix of affordable tenures in recent years. As part of its vision and values the association aims to contribute to the development of the area in social, economic and environmental terms. The association secures Wider Action funding from a variety of sources for this work. Over and above this the Association funds specific wider action work from its own resources if it is seen as contributing to its overall objectives.

Objectives and Strategy

The Queens Cross Group has published a business plan and strategic objectives for the period 2020-2025 with each company in the Group also producing its own business plan and strategic objectives for 2020-25, approved by the relevant Board of Management.

The Group vision is *Excellent Housing in Vibrant Communities* and our shared Group values are *respect, integrity and aspiration*.

The housing association's strategic objectives are:

1. Building and sustaining popular neighbourhoods
2. Creating and supporting greater life opportunities for all
3. Developing greener spaces and community wellbeing
4. Being a dynamic and listening community partner
5. Treating people equally and with respect.

Below the strategic objectives, key departmental priorities are laid out in the internal management plan. As part of this plan, actions and desired outcomes have been identified.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Report of the Board of Management (incorporating the Strategic Report)
For year ended 31 March 2025**

Performance of Business

Key Performance Indicators are reported to the Board quarterly across a range of performance, satisfaction and financial indicators and reported annually to the Scottish Housing Regulator via the Annual Return on the Charter and other key financial returns including this annual report. The association has also chosen to be a member of Housemark, a cost and outcomes benchmarking club as a means of promoting and evidencing value for money.

The following are the results in 2024/25 for specific key performance indicators.

Housing

The average property re-let period was 21.5 days in 2024/25 which was on target and an improvement from 40 in 2023/24 as the association has sought to address some of the contractor and utility issues that had been impacting on performance. Re-let times improved across the year and we would expect continued but more moderate improvement in the year ahead. Total void rent loss was £277,632 in 2024/25 compared to £454,361 in 2023/24 (1.78%) although this latter figure included rent loss for properties in longer term redevelopment which can be excluded from specific ARC targets.

The net current tenant rent arrears is 0.95% compared to 0.8% in 2023/24. The small increase is seen against the backdrop of the cost of living crisis and utility cost increases with the work of housing staff supporting tenants in applying for qualifying benefits and manage their rent accounts. Former tenants arrears valued of £83,444 was written off compared to £90,468 in 2023/24.

At the end of March 2025 there were 7,223 applicants on the housing list (an increase of 1,832 since March 2024) and 638 tenancy offers were made in 2024/25, compared to 674 in 2023/24. The demand for our properties continues to increase rapidly. We averaged 35 new applications each week in 2024/25, compared to 30 per week the year before. The increase in demand can be attributed to Maryhill Housing Association joining the Find My Home system to form a common housing register, the advertising of the new build development at Hamiltonhill and the deepening housing crisis.

Asset Management

There were 20,040 reactive maintenance jobs in the year (19,216 in 23/24) with 88% completed right first time against a target of 90%. This equates to an average of 4.5 (4.4 in 2023/24) repairs per property in the year at an average full cost including overheads of £355 per reactive repair. The continued increase last year in the total number of repairs can be attributed to the catch up of works after the covid period. Of the total 5,864 repairs were classified as emergencies and 98% were attended and completed to within 4 hours, whilst urgent repairs have a target of 2 days and routine repairs are within 5 days. Our performance to these response targets is detailed here:

	Actual	Target
Emergency	97.90%	100%
Urgent	96.60%	95%
Routine	99.50%	95%

As at the 31st March 2025, 99.56% of all properties (2,746) requiring a current gas safety certificate had one at the anniversary date with access being an issue in the small percentage of non-certification.

The association changed its main repair contractor on the 1st of April 2023 following a re-procurement exercise and are working with the new contractor to develop the repair service. The major repairs programme remains very challenging due to an over saturated construction market, inflated tender costs and a shortage of labour and materials. There has been continued progress in the year however with fabric improvements carried out to properties at Westercommon Drive/ Road and Dundasvale. Significant environmental improvements were also carried out within the Woodside area.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report) For year ended 31 March 2025

Operating and Financial Review

As at the 31st of March 2025, 95% of our stock is assessed as meeting the Scottish Housing Quality Standard (SHQS), with 99% of our properties meeting EESSH - the required Energy Efficiency standard - up from 95% the previous year. Whilst 4% of stock are exempt and 1% in abeyance.

The association has a framework of engagement surveys across the range of its services. From the most recent 2023/24 survey 89% of customers were satisfied by our overall service and 83% were satisfied with the standard on their home when moving in. The percentage of tenants satisfied with management of the neighbourhood they live in was 93%.

Overall 82% of tenants were satisfied with the repair service they received which is seeing an improvement with the new contractor in place. The figure for tenants satisfied with their opportunities to participate in decision making is 98%.

Financial and non-financial key performance indicators

The association's key objectives include the achievement of sound finances and value for money in the delivery of its services. Central to this is ensuring the Association continues to demonstrate its financial viability through its 30 year cash-flow. The association completes this 30 year plan using the BRIXX financial model. This model, the key assumptions within it and the key business risks for the association are reviewed, validated and approved by the Board each year. It is the Board's view that these financial assumptions are prudent and realistic and should ensure that we can continue to deliver affordable rents. The key risks incorporated into the model are detailed in the risk assessment section. The association's financial plan and cash forecast, the projection of operating surpluses and the major repairs and maintenance expenditure, retained reserves and borrowing assumptions behind them are central to the organisation's business plan. It is this business plan which projects the future flows of resources in and out of the association and against which any new developments or activities are assessed. This assessment measures the benefits of new activity against any impact on the financial objectives described above.

Within the 2025/26 budget setting process the Board reviewed the impact of the proposed rent increase on a range of family types using the SFHA's rent affordability tool which demonstrated that the proposed increase maintained rents at affordable levels per the definitions used within this model for appropriate house types. Balanced against this the association needs to ensure sufficient resources are available to meet its investment obligations on its existing stock and retain the breadth of its tenancy management and support services. The association has continued to experience significant cost pressures across a range of key areas of expenditure, in particular on Investment and Repair costs, Insurance and Utilities and these present a significant challenge in maintaining a service delivery to a certain quality standard whilst keeping rents affordable. As part of the 2025/26 budget setting process the association has set itself a savings target of £400k to deliver by the next budget setting process to ensure the association can meet its service obligations.

The Association is a member of the Housemark benchmarking club which provides the association with a scorecard for its services in terms of their costs, quality, quantity and overall effectiveness of the services provided compared to a selected peer group.

The Housemark results for the 2023/24 year, the latest data available shows that the organisation continues to be in the upper quartile for performance measured by both arrear management and performance against time to complete targets in its emergency repairs services performance with emergency repairs taking an average of 1.7 hrs against the peer group of 2.5 hrs. Repair costs per property of £949 are above the median of the peer group which was £678, partly driven by a higher number of repairs per property 3.4 compared to the peer group figure of 2.4. Within Housing services our performance on rent arrear recovery as a percentage of total income is in the top quartile, at 0.9% against a Scottish peer average of 2.4% arrear expressed from total income. As an organisation we do have a higher direct cost per property for housing management of £368 per property per year against the UK median of £321. This cost structure does result in improved performance across its housing management services with arrears, void and write offs all below UK median. The overheads as a share of turnover % are 13.3% down from 13.7% the previous year and this now sits at the median level for national peer group.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report) For year ended 31 March 2025

Financial and non-financial key performance indicators (continued)

The organisation continues exploring ways forward of making savings in these areas in particular on its premises costs

The association has a web based purchase order system to support better and controlled procurement and, in line with new procurement legislation, has developed procurement policies and procedures which outline the required routes to market. These outline thresholds where the use of appropriate frameworks and/or procurement portals, such as Public Contracts Scotland, are required and also suggests where social benefits should be included in any tendering exercise. It is continuing to review and re-procure its services and contracts on an on-going basis. In 2024/25 the Association participated in Scotland Excel's Continuous Improvement Programme and Assessment for Procurement (CIPP) and actions arising from this are being taken forward.

The association continues to review its pension schemes for their affordability in line with each schemes' valuation cycle. For the SHAPS scheme the association has now adopted full FRS102 disclosure of the liability and the consequential deficit changes are incorporated within these results. In discussion with its auditors the association agreed not to recognise the in year FRS102 surplus on its other SPF pension scheme to the extent that this gain is unlikely to be recognisable in the medium term.

There continues to be uncertainty in relation to funding for supported housing programmes delivered both by the association and by partners based in our properties. We have reviewed our funding streams and increased the level of service charges for our supported housing projects to maximise secure income whilst balancing affordability. We have also undertaken a full review of our leased properties to mitigate the potential risk of funding changes for partner care providers.

The association wants to be in a position to take advantage of any development opportunities that arise. This is done by the accumulation of sufficient reserves over the business cycle, the prudent use of borrowing against assets when necessary, and the accessing of available funding opportunities to cover service and support costs. The level of major repairs work is determined from the 30 year asset lifecycle work-plan. The table below illustrates this point.

Association's results	2024/25	2023/24	2022/23	2021/22	2020/21
	£000's	£000's	£000's	£000's	£000's
Turnover	27,700	26,929	25,134	24,963	24,360
Operating expenditure	27,042	26,220	23,241	21,237	20,175
Operating surplus	658	708	1,893	3,725	4,184
Capitalised major repairs	4,858	7,592*	2,050	1,633	1,325

- Includes work supported by Grants and owner contributions

The association is required to meet financial covenants in respect of its borrowings which are linked to the level of surplus each year and so future commitments on major repairs spend must be affordable through retained surpluses.

The association is on site with projects that enable us to meet the Scottish Housing Quality Standard and this expenditure is incorporated into the budget plan. A stock condition survey is currently being carried out which will help inform the associations investment plans going forward. Over the next five years, the Association has significant investment ambitions for capital repairs to its housing stock and is looking to have informed discussions with its lenders once the stock condition information is available. The association has prioritised regeneration investment in key areas of its stock and is working with a number of contractors in accessing ECO funding to supplement the association's investment plans and provide enhanced specifications in the works with the aim of making it easier and cheaper to heat our homes.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

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Financial and non-financial key performance indicators (continued)

The association sees its wider contribution to the economic and social development of the area as very important. Whilst the association's care work has been supported through HSCP income, our wider action activities benefit from other grant funding sourced by the Social Regeneration section. These services aim to be self-financing over the long term and make appropriate contributions to the support costs that help service them, however the association has in the past contributed to them to ensure continuity of service provision. Given the current changes to the sector, the ability to do this going forward may be more limited. The business plan and risk strategy have highlighted the significance of this income in overall financial objectives and this is an area where significant changes are likely to affect the association in the future.

Strategic Alliance

During 2024/25 the Association delivered a number of projects in partnership with neighbouring Maryhill Housing Association, including a joint online choice based lettings allocations system, Find My Home, jointly securing funding for continuation of our Energy Advice Service and completing the jointly commissioned work with John Gilbert Architects to consider how to improve affordable warmth in our homes and address Net Zero.

Due to the successful track record of joint working, both Association's Boards took the decision in March 2025 to form a strategic alliance called North West Partners, which will see the two independent organisations continuing to develop joint working to the benefit of customers and staff.

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Report of the Board of Management (incorporating the Strategic Report)
For year ended 31 March 2025****Capital Structure**

At the year-end borrowings totalled £68,624,950 (2024: £69,959,920). In 2018/19 the association prepared for the significant development project at Hamiltonhill by refinancing its loan portfolio. It secured two private placement bonds of £25m and £15m respectively from pension providers. These two bonds have terms of 22 and 30 years respectively with the £25m bond being amortising over the last 5 years of its term. This bond finance is supplemented by two revolving credit facilities from the Clydesdale Bank and Royal Bank of Scotland. The association sought approval in 2023 from the RBS to extend the availability period of their credit facility for a further period which was agreed with less than £2m of this facility still underdrawn.

	Fixed/Capped £	Floating/Callable £
Private placement bond	40,000,000	-
Royal Bank of Scotland	-	7,742,832
Clydesdale/Virgin Money	3,448,245	17,524,828
Total	43,448,245	25,267,660

As part of the refinancing the banking covenants have been aligned to the revised business plan and updated to reflect current accounting rules. The association has been in discussion with its lenders recently as a result of changes in its investment programme and the impact of delays arising from the pandemic and agreed revised covenants for the 24/25 financial year to accommodate this “catch up” investment. With new stock condition information now available and the impact of high inflation on the investment programme the associations and its lenders are seeking to have further discussions on covenant definitions and levels to support a higher level of investment whilst still being affordable.

Cash reserves continue to be placed on deposit with the Group's main banker, Clydesdale Bank and the Royal Bank of Scotland and with the Charities Aid Foundation. Going forward the Board have agreed a deposit and investment strategy that allows short term credit to be repaid where possible to ensure interest costs are minimised. In the forward financial plan the current cash balance is forecast to fall as the development programme at Hamiltonhill commences and the major repair programme continues its investment in existing stock.

Development

The association has led work with Glasgow City Council and Scottish Canals to deliver a masterplan for the site at Hamiltonhill as part of a wider regeneration of the Forth and Clyde Canal corridor. The masterplan contains proposals for the delivery of 670 units across this extensive site in a mix of tenures. This will include up to 350 units for sale, to be delivered by an identified preferred Developer/Contractor through the Robertson Group in partnership with QCHA. The regeneration of the Hamiltonhill area as part of the wider canal strategy with Glasgow City Council and Scottish Canals presents a number of potential development opportunities for the association and will be the central focus for the association in the next five years. The overall site is fully in association ownership with planning permission in principle granted for the masterplan, to be delivered in 4 separate phases of housing. Advanced works packages have been completed with ground consolidation of the whole site and a sustainable drainage system linking the site to the Canal, all 100% grant funded at this time, as well as green/blue infrastructure works to service the full site. The first phase of 208 units (178 for rent) has been on site since late 2022 with the first houses for rent due for completion in late summer/autumn 2025 and the last houses expected to be delivered by the end of 2025. A Planning application was lodged in May 2025 for Phase 2 of the proposals, to provide 71 units for social rent and 93 units for private sale, with a site start proposed for spring 2026.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

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Social Regeneration Initiatives

Our vision at Queens Cross Housing Association is to 'create excellent housing in vibrant communities.' Our work in Social Regeneration is key to achieving this vision, and during the year we delivered a busy programme of community-based activity with opportunities for all ages. The Social Regeneration Team was involved in a wide variety of work throughout our communities, making a strong contribution to the wellbeing focus of our business.

Quality, meaningful activities that are available locally and free to access, allows us to bring people together to improve a sense of wellbeing, strengthen community cohesion and tackle social isolation.

The ongoing cost-of-living crisis has been challenging for people in our communities and the funding climate for third sector organisations has been similarly challenging. Nevertheless, the team had an action-packed year, delivering a range of projects and activities in our communities, this included providing people with access to warm spaces and community meals during the colder winter months. The team worked with the Queens Cross Community Foundation who provided targeted grants for community organisations and implemented the John Gray Bursary scheme for the third year running. The team operated a programme of activity, 6 days per week with an impressive range themed around health and wellbeing, digital inclusion and youth work. During the period the team also coordinated the funding and installation of a new cycle storage facility for 44 bicycles in the Wester Common Neighbourhood which features solar powered lighting and a living roof.

711 people took part in regular activities organised by the team in 2024 / 2025. In addition to the regular programme, the team organised various one-off events including community information and consultations sessions and a well-attended opening event for the association's Making Places environmental improvement project which attracted around 300 people. The team also organised community meals and cultural celebration events including Eid, Ramadhan Iftar and Christmas party events. Support from the Queens Cross Group alongside external funding and partnership working helps us to deliver our range of community activities at Queens Cross. During the year we received funding from Glasgow City Council, National Lottery, SCVO Digital Pioneers Fund, Cycling Scotland, Urban Union and Allied Vehicles.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

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Risk and Uncertainties

As part of the business planning process the Group has put into place an enhanced risk review policy. Risks are defined as events that will impact on the achievement of the business plan objectives. Arising from these processes the key risks are identified and scored for their impact and probability. Strategies to address these risks have been drawn up.

Significant risks that were identified from the process were:

- Increasing arrears as a result of the continuing cost of living crisis, utility cost rises, welfare benefit changes and the knock on impact of the pandemic and the war in the Ukraine. The association aims to monitor performance carefully in this area and has made specific adjustments to forward budget forecasts, service delivery and communication to tenants through the welfare reform strategy.
- The association continues within its financial planning to limit the assumption of rent growth over and above inflation. Our aim is, where possible, to ensure that our rents continue to be affordable as shown by the SFHA rent affordability tool. However in the face of substantial increases in the price of repair and construction costs amongst others this is increasingly difficult to sustain.
- significant Inflationary pressures, over and above those factored into the current business plan, on maintenance and major repairs expenditure are an area of real concern. Changes to National Insurance rates and a forthcoming pension revaluation will impact staff costs.
- Contractor and component availability may continue to be an issue. The impact of Covid 19 and Brexit has had a significant effect in this area. The business plan does make prudent estimates on the prospects for cost and income growth. The association has also moved to a new repair provider in 2023 and this transition and new relationship will come with some risks that will need to be managed.
- The association saw a considerable increase in its pension scheme contributions to the SHAPS pension scheme in 2016/17 as a result of the triennial pension valuation. It was decided in 2016 to close the final salary scheme and transfer staff into a CARE 1/80th closed scheme and offer the CARE 1/120th scheme to new members of staff. The association also offers a defined contribution scheme which it is using to meet its pension auto enrolment obligations. It will continue to explore options to mitigate the risks in this area with a further valuation due in late 2025;
- The association worked with GHSCP on reworking the model of care for older people and is now delivering through an Older People's Service model but again funding has been reduced and the association has had to review the structure and resourcing of the service.
- Reductions in levels of capital grant for securing progress on development plans which would increase the need for private finance to facilitate new schemes; and
- Interest rate increases which would have an interest cost impact for the Association. The Association is actively managing this risk through a rate hedging strategy covered in more detail in the Capital Structure section (page 6) and accessing long term bond finance.
- Asset quality issues and the increased awareness of issues like dampness and mould at a time when repair and investment costs are rising above inflation will present both a cost pressure and service delivery risk for the Association.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

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- The association has always had a robust approach to fire safety. Following the Grenfell Tower fire and the subsequent and on-going reviews there may be a requirement for additional investment, with an as yet unidentified financial impact. The forward financial plan makes provision to install an integrated fire and smoke detection system in all our properties over the next couple of years.

In addition to the embedded risk policy, specific risks are also considered within the internal management plan with mitigating actions drawn up.

Future Plans

The association continues to identify other future potential sites that it would like to develop and will consider these in line with its development strategy and an assessment of each one's financial viability and cash-flow calculation and funding availability. In addition to Hamiltonhill the association is working up plans for a development at Glenfarg Street and is on site with 48 units at Burnbank Gardens. Going forward the association would be interested in developing homes on the site of the old Woodside Health Centre.

Over and above the core housing business, the association will continue to seek and secure external funding for its wider role activities in pursuance of its charitable aims.

Accounting Policies

The accounting policies applied by the Association are detailed in the notes to the accounts. It is useful here to note the key policies that affect the figures in the annual report. Property is recorded at the historical cost of construction and has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected economic useful life. Deferred Capital grant is held as a creditor on the Statement of Financial Position and in line with FRS 102, it is amortised to the Statement of Comprehensive Income over the useful life of the asset.

The Board of Management and Executive Officers

The Board of Management and executive officers of the association are listed on page 2.

Each elected member of the Board of Management holds one fully paid share of £1 in the association although independent members do not require to be members. The executive officers of the association hold no interest in its share capital and, although not having the legal status of directors, they act as executives within the authority delegated by the Board of Management.

Governance

The association is regulated by the Scottish Housing Regulator and managed by an elected Board of Management. The Board of Management has overall responsibility for managing the association's finances and is supported by the Audit Sub-Committee who have specific responsibility for overseeing the financial controls of the association. The Audit Sub-Committee meets quarterly, and the Committee is supported by the work of both the internal and external auditors. The Board of Management is charged with overseeing the management of the association and monitoring its financial and non-financial performance.

Health and Safety

The Board and senior staff of the association and its subsidiaries are aware of their responsibilities with regards to health and safety. The association and its subsidiary prepare detailed policies on health and safety and provides staff training and education on these areas.

Equality and Diversity

The Queens Cross Group is committed to promoting a culture of respect, integrity and understanding. We aim to break down barriers to communication and participation, to eliminate discrimination and give equal opportunity and access for all groups, communities and individuals to employment and services. Throughout the Group there will be a consistent approach to promoting equality, diversity and inclusion across all areas. In addition to our statutory responsibility contained in the Housing Scotland Act 2010 we are keen to create safe and inclusive neighbourhoods and an environment where people can live and work without experiencing any form of discrimination or harassment.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report) For year ended 31 March 2025

Investors in People

The association has Investors in People status and the organisation will continue to put a high priority on establishing standards and systems to support its service delivery. The recruitment, retention and development of high quality staff who support the aims and values of the organisation will continue to be central to the Association.

Agency Work

We have also been active in providing agency services to other housing associations including property development, clerk of works services, marketing of property for sale, and general housing management.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report) For the year ended 31 March 2025

Statement on Internal Financial Controls

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

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

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

- (a) 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;
- (b) Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- (c) Forecasts and budgets are prepared which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set out for the year. During the financial year, regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information. Significant variances from budgets are investigated as appropriate;
- (d) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the relevant sub-committees which are comprised of Board of Management members;
- (e) The association has appointed a firm of accountants, on a consultancy basis, as internal auditors with the specific responsibility of assessing the adequacy and reliability of the system of internal financial control. The results of such reviews are reported to the Audit Sub-Committee;
- (f) The Board of Management reviews reports from the external auditor to provide reasonable assurance that control procedures are in place and are being followed; and
- (g) Formal practices have been established for instituting appropriate action to correct weaknesses identified from the reports of the external and internal auditors.

The Board of Management have reviewed the effectiveness of the system of internal financial control in existence in the Association 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 the financial statements or in the auditor's report on the financial statements.

Related Party Transactions

Some members of the Board of Management are tenants. Their tenancies are on the association's normal tenancy terms and, in common with other members of the Board of Management, they cannot use their positions to their personal advantage. Details of transactions with Board members can be found at note 29.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

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Charitable Donations

During the year the Group made charitable donations to other parties amounting to £22,535 (2024: £16,125) including £15,000 to the QC Community Foundation. A further £11,205 of estimated staffing and meeting room costs were also donated to the QC Community Foundation.

Disclosure of information to the auditor

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


- So far as each Board member is aware, there is no relevant information of which the Association's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Board member in order to make himself/herself aware of any relevant information, and to establish that the Association's auditor is aware of the information.

Auditor

A formal tender for the provision of external audit services was undertaken in 2022 and Wbg (Audit) Limited appointed for a period of up to 3 years with the option to extend for a further 2 years.

By order of the Board of Management

Signed by:


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Andrew Burns

Chair

Dated: 26 August 2025

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Statement of the Board of Management's Responsibilities For the year ended 31 March 2025

Housing Association legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for the year ended on that date. In preparing those financial statements the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association.

The Board is also responsible for safeguarding the assets of the Association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Report of the Auditor to the Members of Queens Cross Housing Association Limited
For the year ended 31 March 2025**

We have audited the consolidated financial statements of Queens Cross 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 Cash Flows, the Statement of Changes in Equity and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Communities Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Board of Management are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Auditor to the Members of Queens Cross Housing Association Limited For the year ended 31 March 2025

Matters on which we are required to report by exception

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

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

- The information given in the Report of the Board of Management is inconsistent with the Financial Statements;
- Proper books of accounts have not been kept by the Association in accordance with the requirements of the legislation;
- A satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirement of the legislation;
- The financial statements are not in agreement with the books of accounts; or
- We have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.

Responsibilities of the Board of Management

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

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

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

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

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

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

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

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

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Auditor to the Members of Queens Cross Housing Association Limited For the year ended 31 March 2025

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

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

Audit response to the risks identified;

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

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

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

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

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

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

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

Date: 26 August 2025

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Auditor to the Board of Management of Queens Cross Housing Association Limited on Corporate Governance Matters For the year ended 31 March 2025

In addition to our audit of the financial statements, we have reviewed your statements on page 13 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 any non-compliance.

Opinion

In our opinion your Statement on Internal Financial Controls on page 13 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 enquiry of certain members of the Board of Management and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Board of Management's Statement on Internal Financial Controls 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.

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

Date: 26 August 2025

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Statement of Comprehensive Income
For the year ended 31 March 2025**

		2025 £	2024 £
	Note		
Turnover	4	27,699,553	26,929,021
Operating expenditure	4	(27,042,022)	(26,220,066)
Operating surplus	4	657,531	708,955
Gift aid income		40,000	20,000
Interest receivable and other income	7	1,442,406	1,234,538
Interest payable and similar charges	8	(3,444,729)	(2,799,721)
(Deficit) for the year		(1,304,792)	(836,228)
Other comprehensive income			
Actuarial gain/(loss) on the defined benefit pension scheme	27	19,000	(2,380,788)
Total comprehensive (loss) for the year		(1,285,792)	(3,217,016)

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements.

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Statement of Changes in Capital and Reserves at 31 March 2025**

	Share Capital	Revenue Reserves	Total Reserves
	£	£	£
Balance at 1 April 2024	126	44,925,342	44,925,468
Share capital issued	7	-	7
Share capital cancelled	(53)	-	(53)
Total comprehensive loss	-	(1,285,792)	(1,285,792)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2025	80	43,639,550	43,639,630
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Statement of Changes in Capital and Reserves at 31 March 2024

	Share Capital	Revenue Reserves	Total Reserves
	£	£	£
Balance at 1 April 2023	126	48,142,358	48,142,484
Share capital issued	6	-	6
Share capital cancelled	(6)	-	(6)
Total comprehensive loss	-	(3,217,016)	(3,217,016)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2024	126	44,925,342	44,925,468
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements.

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Statement of Financial Position
As at 31 March 2025**

	Note	2025 £	As restated 2024 £
Tangible fixed assets			
Housing properties	12	173,385,231	161,020,201
Other fixed assets	15	2,451,883	2,487,009
		<u>175,837,114</u>	<u>163,507,210</u>
Investments	16	<u>1</u>	<u>1</u>
		<u>175,837,115</u>	<u>163,507,211</u>
Current assets			
Debtors (amounts falling due after more than one year)	17	1,908,384	4,088,933
Debtors (amounts falling due within one year)	17	437,160	487,160
Investments	18	19,079,059	29,282,332
Cash and cash equivalents	19	11,163,413	16,389,772
		<u>32,588,016</u>	<u>50,248,197</u>
Creditors: amounts falling due within one year	20	(8,162,628)	(11,474,786)
Net current assets		<u>24,425,388</u>	<u>38,773,411</u>
Total assets less current liabilities		200,262,503	202,280,622
Creditors: amounts falling due after more than one year	21	(154,698,873)	(155,230,154)
Pension liability	27	(1,924,000)	(2,125,000)
Net assets		<u><u>43,639,630</u></u>	<u><u>44,925,468</u></u>
Share capital	24	80	126
Revenue reserve	25	<u>43,639,550</u>	<u>44,925,342</u>
		<u><u>43,639,630</u></u>	<u><u>44,925,468</u></u>

The financial statements were authorised for issue by the Board of Management on 26th August 2025 and were signed on its behalf by:

Andrew Burns	<div>Signed by:</div>  <div>1E3F66C14D8241B...</div>	Chair
Anne Ramsey	<div>DocuSigned by:</div>  <div>5E371740EF70490...</div>	Vice Chair
Sadie Gordon	<div>DocuSigned by:</div>  <div>1B69EA727BBD4A0...</div>	Vice Chair

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Statement of Cash Flows **For the year ended 31 March 2025**

	Notes	2025	2024
		£	£
Net cash generated from operating activities	1	3,968,206	2,743,825
Cashflow from investing activities			
Purchase of property, plant and equipment		(18,949,496)	(27,727,611)
Purchase of other fixed assets		(178,462)	(354,201)
Grants received		3,180,179	23,714,893
Repayment of deferred capital government grant		(112,773)	(54,639)
Interest received		1,382,407	1,234,538
		<u>(14,678,145)</u>	<u>(3,187,020)</u>
Cashflow from financing activities			
Interest paid		(3,384,730)	(2,799,720)
Repayment of borrowings		1,334,970	14,251,354
Deposits in current asset investments		10,203,273	(3,189,760)
Issue of share capital		7	-
		<u>5,483,580</u>	<u>8,261,874</u>
Net change in cash and cash equivalents		(5,226,359)	7,818,679
Cash and cash equivalents at 1 April		16,389,772	8,571,093
Cash and cash equivalents at 31 March		<u>11,163,413</u>	<u>16,389,772</u>
		<u>(5,226,359)</u>	<u>7,818,679</u>

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Statement of Cash Flows
For the year ended 31 March 2025****1. Net cash generated from operating activities**

	2025 £	2024 £
Deficit for the year	(1,304,792)	(826,227)
<u>Adjustments for non-cash items</u>		
Depreciation of property assets	5,926,003	5,597,258
Depreciation of other fixed assets	213,588	212,044
Decrease/(increase) in debtors	2,230,549	(3,525,835)
(Decrease)/increase in creditors	(3,244,938)	1,546,848
SHAPS past deficit movements	(182,000)	(215,269)
Loss on disposal of other fixed assets	510,847	1,299,172
Deferred capital grant correction	-	(719,323)
<u>Adjustments for investing and financing activities</u>		
Interest payable	3,384,730	2,799,720
Interest received	(1,382,407)	(1,234,538)
Release of deferred capital government grant	(2,183,321)	(2,180,025)
Forfeited share capital	(53)	
	<hr/>	<hr/>
Net cash generated from operating activities	<u><u>3,968,206</u></u>	<u><u>2,743,825</u></u>

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2025

1. General Information and basis of preparation

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 Accounting Requirements 2014 issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2014. The principal accounting policies are set out below:

The preparation of these financial statements in compliance with FRS 102 requires the use of certain critical 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 172. The registered address is 45 Firhill Road, Glasgow G20 7BE.

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

The FCA has granted exemption from preparing group financial statements. The financial statements represent the results of the Association and not the group. The Board is of the opinion that it would be of no real value to the members of the Association to consolidate the accounts of the Association's subsidiaries in group accounts due to the different nature of trade.

2. Principal accounting policies

Introduction and accounting basis

The financial statements are prepared on the historical cost basis of accounting subject to the revaluation of certain fixed assets and in accordance with applicable accounting standards. The effect of events relating to the year ended 31 March 2017, which occurred before the date of approval of the financial statements by the Board of Management have been included in the financial statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2017 and of the results for the year ended on that date.

Going concern

The Association has a healthy cash position and the Board of Management anticipates a surplus for 2025/26 and 2026/27. The Board is satisfied that there are sufficient resources in place to continue operating for the foreseeable future and meet the planned capital investment programme over the next 5 years with finance facilities in place. Forward cash-flow forecasts have been prepared for the Board to evidence this forward viability. The Board therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents rental and service charge income and fees or revenue grants receivable from Glasgow City Council, the Scottish Government, and other sources. Also included is any income from first tranche shared ownership disposals.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2025

2. Principal accounting policies (continued)

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.

Interest receivable

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

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.

Lessor

The Association rents out commercial property under formal leases. The rental income is recognised within other activities (note 6) on an accruals basis and when the Association is entitled to that income.

Fixed assets - Housing properties

Housing properties are stated at cost, less accumulated depreciation. The development cost of housing properties includes:-

1. Cost of acquiring land and buildings;
2. Development expenditure including administration costs; and
3. Capitalisation of interest during the development phase.

These costs are either termed "qualifying costs" by the Scottish Government for approved social housing grant or are considered for mortgage loans by the relevant lending authorities or are met out of the Association's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value are included in the accounts for the year, provided that the dates of issue or valuation are prior to the year-end.

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

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.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2025

2. Principal accounting policies (continued)

Shared equity

On completion of construction, shared equity units are held in stock along with the grant received. On completion of the first tranche sale, the Association's obligation ceases and the cost and grant are derecognised through the Statement of Comprehensive Income.

Fixed assets – investment properties

Investment properties are initially recorded at cost. Thereafter investment properties are held at market value with any changes in market value recognised in the Statement of Comprehensive Income.

Fixed assets – other fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Association adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Association. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'operating expenditure' in the Statement of Comprehensive Income.

Depreciation

1. Housing properties

Housing properties are stated at cost less accumulated depreciation. 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/Doors - over 30 years
- Bathroom - over 30 years
- Electrical - over 30 years
- Roofing - over 30 years
- Boiler plumbing - over 15 years
- Kitchen - over 15 years
- Lifts - over 10 years

In the year of addition, the component is depreciated from the date of addition.

In the year of disposal, the net book value of the component being replaced is written off and is included in the depreciation charge for the year.

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****2. Principal accounting policies (continued)****Depreciation (continued)****2. Other fixed assets**

Depreciation is charged on other fixed assets so as to write off the asset cost less any recoverable value over its anticipated useful life. The following rates have been used:-

Leasehold Property	-	Over the lease term
Furniture, Fittings & Equipment	-	15 - 25% on cost
Computer Equipment	-	25% reducing balance

A full year's depreciation is charged in the year of purchase.

No charge is made in the year of disposal.

Development administration costs

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

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2025

2. Principal accounting policies (continued)

Current asset investments

Current asset investments are represented by long term deposits with financial institutions repayable after more than three months.

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.

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 trade debt deferred beyond normal business 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 or ownership.

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

Government capital grants

Government Capital Grants, at amounts approved by The Scottish Government or Glasgow City Council, 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.

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.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2025

2. Principal accounting policies (continued)

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 grants are received or receivable.

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.

Loans

Mortgage loans are advanced by Private Lenders 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 by the Scottish Government.

Financial commitments

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

The principal office premises of the Association are held on a full repairing lease. The lease termination date is 2026.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2025

2. Principal accounting policies (continued)

Pensions (note 27)

Strathclyde Pension Fund

In accordance with FRS 102, the operating and financing costs of pension and post retirement schemes (determined by a qualified actuary) 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.

Scottish Housing Association Pension Scheme (SHAPS)

The Association participates in The Scottish Housing Associations' Defined Benefits Pension Scheme (SHAPS) and retirement benefits to employees 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 entities taken as a whole.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers as the Scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total Scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the Scheme rather than by reference to individual employer experience.

Thus the Scheme is accounted for as a defined contribution scheme. However the Group has entered into a past service deficit repayment agreement with the Pension Trust and per FRS 102, this discounted past service deficit liability has been recognised in the Statement of Financial Position.

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

Estimate

Useful lives of property, plant and equipment

The main components of housing properties and their useful lives

Recoverable amount of rental and other trade receivables

The obligations under the SHAPs pension scheme and the Strathclyde pension scheme

The valuation of investment properties

Basis of estimation

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 cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.

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.

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

The investment properties were valued by an appropriately qualified surveyor using market data at the date of valuation.

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****4. Particulars of Turnover, Operating Expenditure and Operating Surplus/(Deficit)**

	2025			2024		
	Turnover	Operating Expenditure	Operating Surplus/ (Deficit)	Turnover	Operating Expenditure	Operating Surplus/ (Deficit)
	£	£	£	£	£	£
Social Lettings (Note 5)	25,505,070	(23,160,316)	2,344,754	24,522,723	(22,434,506)	2,088,217
Other activities (Note 6)	2,194,483	(3,881,706)	(1,687,223)	2,406,298	(3,785,560)	(1,379,262)
	<u>27,699,553</u>	<u>(27,042,022)</u>	<u>657,531</u>	<u>26,929,021</u>	<u>(26,220,066)</u>	<u>708,955</u>

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements

For the year ended 31 March 2025

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

	General Needs Housing	Supported Housing Accommodation	Shared Ownership Accommodation	2025 Total £	2024 Total £
	£	£	£		
Income from rent and service charges	19,478,263	2,580,925	105,360	22,164,548	21,368,304
Rent receivable net of service charges					
Service charges	342,965	981,313	-	1,324,278	1,294,686
Gross income from rents and service charges	19,821,228	3,562,238	105,360	23,488,826	22,662,990
Less voids	(245,149)	(32,483)	-	(277,632)	(454,361)
Net Income from Rents and Service Charges	19,576,079	3,529,755	105,360	23,211,194	22,208,629
Release of Deferred Government Grant	1,927,872	255,449	-	2,183,321	2,180,025
Grants from the Scottish Ministers	-	110,555	-	110,555	134,069
Total turnover from social letting activities.	21,503,951	3,895,759	105,360	25,505,070	24,522,723
Expenditure					
Management and maintenance administration costs	(6,290,032)	(825,389)	(40,288)	(7,155,709)	(6,776,838)
Service charges	(250,611)	(33,207)	-	(283,818)	(248,836)
Planned cyclical maintenance	(2,472,798)	(324,485)	-	(2,797,283)	(2,550,907)
Reactive maintenance costs	(5,660,439)	(742,773)	-	(6,403,212)	(6,820,113)
Bad debts – rents and service charge	(73,681)	(9,763)	-	(83,444)	(90,468)
Depreciation of social housing*	(5,690,175)	(746,675)	-	(6,436,850)	(5,947,345)
Operating expenditure for social letting activities	(20,437,736)	(2,682,292)	(40,288)	(23,160,316)	(22,434,507)
Operating surplus on letting activities, 2025	1,066,215	1,213,467	65,072	2,344,754	2,088,216
Operating surplus on letting activities, 2024	788,658	1,208,847	90,711	2,088,216	

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2025

*This is made up of £5,926,003 (2024: £5,597,258) depreciation charge per note 12 and the loss on disposal of components of £510,847 (2024: £350,087) included in depreciation in accordance with the SORP as per note 12. Depreciation of £213,588 (2024: £212,044) in relation to other fixed assets per note 15 is included as an administration costs.

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements****For the year ended 31 March 2025****6. Particulars of turnover, operating expenditure and operating surplus / (deficit) from other activities**

	Grants from Scottish Ministers	Other revenue grants	Supporting people and Wellbeing income	Other income	Total Turnover		Other operating expenditure		Operating surplus/(deficit)	
	£	£	£	£	2025 £	2024 £	2025 £	2024 £	2025 £	2024 £
Wider role activities #	-	152,555	-	-	152,555	211,899	(808,428)	(777,897)	(655,873)	(565,998)
Development and construction of property activities	-	-	-	88,952	88,952	235,354	(618,867)	(552,327)	(529,915)	(316,973)
Support activities.	-	-	596,053	182,345	778,399	920,606	(1,839,340)	(1,893,641)	(1,060,941)	(973,035)
Other agency / management services	-	629,273	-	-	629,273	583,254	(615,071)	(561,695)	14,202	21,559
Other activities	-	-	-	165,982	165,982	50,448	-	-	165,982	50,448
Car park income	-	82,314	-	-	82,314	86,850	-	-	82,314	86,850
RHI Energy Payments	-	-	-	297,008	297,008	317,887	-	-	297,008	317,887
Total from other activities, 2025	-	864,142	596,053	734,287	2,194,483		(3,881,706)		(1,687,223)	
Total from other activities, 2024						2,406,298		(3,785,560)		(1,379,262)

Undertaken to support the community, other than the provision, construction, improvement and management of housing. The deficit is a result of both overheads and our commitment to fund areas like youth employability even when the grant funding declines. There is a specific action plan in place to tackle this deficit.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements **For the year ended 31 March 2025**

7. Interest receivable and other income

	2025 £	2024 £
Interest receivable on deposits	1,414,062	1,203,458
Interest receivable from subsidiary loan	28,344	31,080
	<u>1,442,406</u>	<u>1,234,538</u>

8. Interest payable and similar charges

	2025 £	2024 £
On private loans	3,504,729	2,921,721
Defined benefit finance (credit) (note 27)	(60,000)	(122,000)
	<u>3,444,729</u>	<u>2,799,721</u>

9. Directors' Emoluments

The directors are defined as the members of the Board of Management, the Chief Executive and any other person reporting directly to the Chief Executive or the Board of Management. No emoluments were paid to any member of the Board of Management during the year. The Association considers key management personnel to be the Board of Management and the senior management team (the Executive Officers as per page 2) of the Association only.

	2025 £	2024 £
Emoluments of Chief Executive (excluding pension contributions)	<u>133,998</u>	<u>126,772</u>

Pension contributions in respect of the Chief Executive including past service deficit payments totalled £31,087 in the year. (2023/24 £29,390) with 50% being made via a salary sacrifice contribution from the gross salary. This salary sacrifice of £15,544 (2023/24 £14,695) was made by the Chief Executive to the pension scheme. This is included within emoluments and included within the employers' pension contribution figure disclosed.

	2025 £	2024 £
Emoluments payable to highest paid director (excluding pension contributions)	<u>133,998</u>	<u>126,772</u>

The emoluments (excluding pension contributions and salary sacrifice) of the directors were in the following ranges:

	2025 No of Directors	2024 No of Directors
£85,001 to £90,000	1	-
£90,001 to £95,000	1	1
£95,001 to £100,000	1	1
£125,001 to £130,000	-	1
£130,001 to £135,000	1	-

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****9. Directors' Emoluments (continued)**

	2025 £	2024 £
Total emoluments (excluding pension contributions) paid to those earning more than £60,000 and key management	368,509	278,275
Pension contributions of directors earning more than £60,000 for future accrual	80,232	72,418
Pension contributions of directors earning more than £60,000 for past service deficit	-	-
Total expenses reimbursed to directors in so far as not chargeable to United Kingdom income tax	938	-

During the year a salary sacrifice of £36,209 (2023/24: £39,194) was made by key management personnel to the pension scheme. This is not included within emoluments but is included within the employers' pension contribution figure disclosed.

10. Employee Information

	2025 No	2024 No
The full time equivalent number of persons employed during the year was:	212	211
Split as:		
Admin	41.5	39.5
Finance	5	4.5
Housing and Housing Support and Social Regeneration	123	116
Maintenance, Investment and Subsidiary teams	38.5	46
Development	4	5
	212	211
	2025 £	2024 £
Staff costs (including Directors' Emoluments):		
Wages and salaries	7,599,326	6,963,901
Social security costs	740,471	666,113
Pension costs	872,267	818,435
Defined benefit pension credit (note 27)	(122,000)	(47,000)
	9,090,064	8,401,449

Included in wages and salaries is £101,810 (2024 £57,525) of agency staff costs.

QUEENS CROSS HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2025**

11. Operating Surplus

	2025	2024
	£	£
Operating surplus is stated after charging:		
Depreciation (note 5)		
- social housing	5,926,003	5,597,258
- loss on disposed components	510,847	350,087
- other fixed assets	213,588	212,044
Auditor's remuneration		
- In their capacity as auditor - audit	19,218	18,750
	<u> </u>	<u> </u>

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements****For the year ended 31 March 2025****12. Tangible Fixed Assets – Housing Properties**

	Housing Properties Held for Letting	Completed Shared Ownership Properties	Housing Properties Under Construction	2025 Total	As restated 2024 Total
	£	£	£	£	£
As at 1 April 2024	197,884,871	1,471,161	37,007,098	236,363,130	213,622,672
Additions during year	-	36,350	14,054,668	14,091,018	20,135,163
Component accounting additions	4,849,728	8,750	-	4,858,478	7,592,446
Disposals – property	-	-	-	-	-
Disposals – components	(1,473,704)	(4,929)	-	(1,478,633)	(1,182,978)
Non-amortising Capital Grant (Note 1)	(148,028)	-	413	(147,615)	(3,575,726)
Transfers	1,924,295	(77,128)	(1,847,167)	-	(228,447)
As at 31 March 2025	<u>203,037,162</u>	<u>1,434,204</u>	<u>49,215,012</u>	<u>253,686,378</u>	<u>236,363,130</u>
Depreciation					
As at 1 April 2024	74,530,862	812,068	-	75,342,930	70,578,562
Charge for year	5,899,550	26,453	-	5,926,003	5,597,258
Disposals – property	-	-	-	-	-
Disposals – components	(962,857)	(4,929)	-	(967,786)	(832,891)
Transfers (Note 1)	29,349	(29,349)	-	-	-
As at 31 March 2025	<u>79,496,904</u>	<u>804,243</u>	<u>-</u>	<u>80,301,147</u>	<u>75,342,929</u>
Net book value at 31 March 2025	<u>123,540,258</u>	<u>629,961</u>	<u>49,215,012</u>	<u>173,385,231</u>	
Net book value at 31 March 2024	<u>123,354,009</u>	<u>659,093</u>	<u>37,007,098</u>		161,020,201

Note 1: Total cost of components capitalised for the year amounted to £4,858,478 (2024 £7,592,446) and includes £147,615 of expenditure funded by Glasgow City Council Common Repair and Affordable warmth grants. The balance is also shown net of owners contributions for work on the Westercommon maisonettes of £57,897. The amount spent on maintenance of housing properties held for letting can be seen in Note 5.

Additions to Housing Properties during the year includes £nil capitalised interest (2024 - £nil) and £nil capitalised administration costs.

All housing properties are freehold. Components with a cost of £1,478,633 (2024: £ 1,182,978) and accumulated depreciation of £967,786 (2024: £832,891) have been disposed of for £nil (2024: £nil) net proceeds.

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****13. Housing Stock**

The number of units of accommodation in management was as follows:-

	Units in management 2025	2024
General needs housing	3,848	3,844
Supported housing accommodation	511	511
Shared ownership accommodation	31	31
	<hr/>	<hr/>
	4,390	4,386
	<hr/>	<hr/>

14. Accommodation managed by others

	2025	2024
Women's Aid	17	17
Barnardos	6	6
Aspire	11	11
Key Housing	20	20
Glasgow Council	1	0
Glasgow Council TFF	52	48
Mears	2	2
NASS	0	4
P&D	0	1
Refugee Survival Trust	2	2
Richmond Fellowship	13	13
Scottish Autism	2	2
Kerr and Taggart	1	1
	<hr/>	<hr/>
	127	127
	<hr/>	<hr/>

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****15. Tangible Fixed Assets – Other Tangible Assets**

	Leasehold Property £	Furniture, Fittings & Equipment £	Commercial Investment Properties £	2025 Total £	2024 Total £
Cost					
At start of year	1,809,256	717,890	1,135,000	3,662,146	3,424,139
Additions during year	77,639	100,823	-	178,462	354,201
Disposals	-	(105,371)	-	(105,371)	(116,194)
At end of year	1,886,895	713,342	1,135,000	3,735,237	3,662,146
Depreciation					
At start of year	746,091	429,046	-	1,175,137	1,079,287
Charge for year	74,276	139,312	-	213,588	212,044
Write off on disposal	-	(105,371)	-	(105,371)	(116,194)
At end of year	820,367	462,987	-	1,283,354	1,175,137
Net book value at 31 March 2025	1,066,528	250,355	1,135,000	2,451,883	
Net book value at 31 March 2024	1,063,165	288,844	1,135,000		2,487,009

The Association's commercial investment properties were revalued at 14 June 2022 (by DM Hall Chartered Surveyors). It is the opinions of the Board that there is no material change in this valuation as at the year end date.

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****16. Investments**

	2025 £	2024 £
Investment in subsidiary undertaking	1	1

Queens Cross Factoring Limited (company number SC278139) was incorporated on 7 January 2005 and began trading on 1 April 2005. Queens Cross Housing Association Limited acquired 1 ordinary £1 share in Queens Cross Factoring Limited, at par. This represents a 100% shareholding.

Details of transactions during the year with the above company can be found at note 29.

For the year ended 31 March 2025, Queens Cross Factoring Limited recorded a profit of £76,527 (2024: £44,928)

17. Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Rental arrears	311,045	341,503
Less provision for bad debts	(338,823)	(338,823)
	(27,778)	2,680
Trade debtors	45,220	285,830
Other debtors and prepayments	331,453	178,243
Accrued income	580,733	2,551,887
Amounts owed by the subsidiary (less than one year)	978,756	1,116,293
Amounts owed by the subsidiary (more than one year)	437,160	487,160
	2,345,544	4,576,093
Debtors due less than one year	1,908,384	4,088,933
Debtors due more than one year	437,160	487,160
	2,345,544	4,576,093

18. Current asset investments

	2025 £	2024 £
Balances held in deposit accounts greater than 3 months	19,079,059	29,282,332

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****19. Cash and cash equivalents**

	2025 £	2024 £
Balances held in current accounts	11,163,413	16,389,772

20. Creditors: amounts falling due within one year

	2025 £	2024 £
Bank loans repayable within one year	1,394,937	1,435,157
Trade creditors	97,176	319,962
SHG repayable on disposals	1,314,331	1,314,331
Other taxes and social security costs	181,006	169,384
Other creditors	3,022,993	6,083,768
Deferred capital grants (note 22)	2,152,185	2,152,185
	<u>8,162,628</u>	<u>11,474,787</u>

21. Creditors: amounts falling due out with one year

	2025 £	As restated 2024 £
Borrowings	67,230,013	68,524,763
Deferred capital grant (note 22)	87,468,860	86,705,391
	<u>154,698,873</u>	<u>155,230,154</u>
Loan analysis as follows:		
Due between one and two years	1,394,937	1,435,632
Due between two and five years	19,084,062	20,007,403
Due in five years or more	46,751,014	47,081,728
	<u>67,230,013</u>	<u>68,524,763</u>

Loans are secured by specific charges on the Association's properties and are repayable at rates of interest between Libor + 1.75% and 6% in instalments over the next 30 years.

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****22. Deferred capital grants**

	2025 £	As restated 2024 £
At 1 April		
Government Capital Grants	88,857,576	70,953,073
Grants received in year	3,180,179	23,714,893
Released to income in year	(2,183,321)	(2,180,025)
Release for non -amortising Grant for Component Costs (note 12)	(147,615)	(3,575,726)
Grants repaid in the year	(112,774)	(54,639)
At 31 March 2025	<u>89,594,045</u>	<u>88,857,576</u>
Due in less than one year	2,152,185	2,152,185
Due between one and two years	2,176,916	2,152,185
Due between two and five years	5,943,412	6,456,555
Due in five years or more	79,321,532	78,096,651
At 31 March 2025	<u><u>89,594,045</u></u>	<u><u>88,857,576</u></u>

23. Financial Instruments

	2025 £	2024 £
Cash and cash equivalents	11,163,413	16,389,772
Investments – deposit accounts	19,079,059	29,282,332
Financial assets measured at amortised cost	303,673	180,923
	<u>30,546,145</u>	<u>45,853,027</u>
Financial Liabilities		
Financial liabilities measured at amortised cost	(72,962,274)	(77,358,019)
	<u><u>(72,962,274)</u></u>	<u><u>(77,358,019)</u></u>

Financial assets measured at amortised cost comprise cash and cash equivalents, current asset investments, rental arrears, trade debtors, other debtors, accrued income and amounts owed by the subsidiary.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, SHG repayable on disposals, other creditors and the SHAPS pension deficit.

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****24. Share Capital**

Shares of £1 each fully paid and issued

	2025	2024
	£	£
At beginning of year	126	126
Issued during the year	7	6
Shares forfeited in year	(53)	(6)
At end of year	<u>80</u>	<u>126</u>

There are no rights to receive dividends attached to the shares, or any ranking in the event of a winding up.

25. Reserves**Revenue reserve**

The revenue reserve includes all current and prior year retained surpluses or deficits.

Other reserves

The other reserves includes the gain on the revaluation of investment properties less the deferred tax provision in respect of the revaluation gain.

26. Capital Commitments

	2025	2024
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	<u>4,519,777</u>	<u>18,355,941</u>
This is to be funded by:		
SHG	-	2,653,947
Private Finance	4,519,777	13,001,994
Reserves	-	2,700,000
Capital expenditure that has been approved but not contracted for	<u>12,402,521</u>	<u>11,989,000</u>

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****27. Pensions****Scottish Housing Association Pension Scheme (SHAPS)**

The Association participates in the Scottish Housing Associations' Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK. The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £27m. A Recovery Plan was put in place to eliminate the deficit which ran to 30 September 2022.

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. For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 29 February 2026 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

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

	31 March 2025	31 March 2024
	(£000s)	(£000s)
Fair value of plan assets	15,919	18,168
Present value of defined benefit obligation	18,209	20,726
Surplus (deficit) in plan	(2,290)	(2,558)
	-	
Unrecognised surplus		-
Defined benefit asset (liability) to be recognised	(2,290)	(2,558)
Deferred tax	*	
Net defined benefit asset (liability) to be recognised	*	*

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements **For the year ended 31 March 2025**

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	Period from 31 March 2024 to 31 March 2025 (£000s)
Impact of asset ceiling at start of period	0
Effect of the asset ceiling included in net interest cost	0
Actuarial losses (gains) on asset ceiling	0
Impact of asset ceiling at end of period	0

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

	Period ended 31 March 2025 (£000s)
Fair value of plan assets at start of period	18,168
Interest income	870
Experience on plan assets (excluding amounts included in interest income) – gain (loss)	(2,294)
Contributions by the employer	463
916	13
Benefits paid and expenses	(1,301)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	15,919

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 was (£1,424,000).

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCl)**

	Period from 31 March 2024 to 31 March 2025 (£000s)
Current service cost	298
Expenses	30
Net interest expense	121
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	449

	Period ended 31 March 2025 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	(2,294)
Experience gains and losses arising on the plan liabilities – gain (loss)	314
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	2,234
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain (loss)	254
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain (loss)	-
Total amount recognised in other comprehensive income – gain (loss)	254

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2025 Assets

	31 March 2025	31 March 2024
	(£000s)	(£000s)
Global Equity	1,844	2,090
Absolute Return	-	816
Distressed Opportunities	-	669
Credit Relative Value	-	640
Alternative Risk Premia	-	654
Liquid Alternatives	2,931	
Emerging Markets Debt	-	318
Risk Sharing	-	1,090
Insurance-Linked Securities	61	113
Property	788	769
Infrastructure	3	1,740
Private Debt		731
Opportunistic illiquid debt		
Corporate Bond Fund		723
High Yield		3
		-
Cash	85	471
Currency Hedging	27	(8)
	5	135
Long Lease Property		
Liquid Credit	-	-
Secured Income	368	606
Over 15 Year Gilts	-	-
Liability Driven Investment	4,482	6,572
Net Current Assets	21	22
Total assets	15, 919	18,166

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025**

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

KEY ASSUMPTIONS

	31 March 2025 % per annum	31 March 2024 % per annum
Discount Rate	5.82%	4.90%
Inflation (RPI)	3.1%	3.15%
Inflation (CPI)	2.79%	2.78%
Salary Growth	3.79%	3.78%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75%

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

	Life expectancy at age 65 (Years)
Male retiring in 2023	20.2
Female retiring in 2023	22.7
Male retiring in 2043	21.5
Female retiring in 2043	24.2

The following list shows inputs to the tool that can be amended by the employer or TPT.
The 'Final data item' will differ from the 'Default data item' if the value has been changed.

	Final data item	Default data item
Employer contributions (less expenses) (£)	432,874	432,874
Expenses (£)	29,999	29,999
Member contributions (£)	12,810	12,810
Insured benefit claims & transfers in (£)	-	-
Contributions in respect of augmentations (£)	-	-
Accounting liability at beginning of period (£)	20,725,649	20,725,649
End of year discount rate	5.82%	5.82%
End of year inflation (RPI)	3.10%	3.10%
End of year inflation (CPI)	2.79%	2.79%
End of year salary growth	3.79%	3.79%
End of year life expectancy at age 65 (years)	20.2	20.2
Start of year discount rate	4.9%	4.9%
Start of year inflation (RPI)	2.78%	2.78%
Start of year inflation (CPI)	3.15%	3.15%

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Start of year salary growth	3.78%	3.78%
Start of year life expectancy at age 65 (years)	20.2	20.2
One Year Cost Adjustment Factor	100.00%	100.00%
Maximum recoverable surplus as at 31 March 2024	-	-
Recognised surplus as at 31 March 2023	-	-
Liabilities acquired in a business combination	-	-
Liabilities extinguished on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-

Derivation of Assumptions	As at 31 March 2025	As at 31 March 2024
Discount rate assumption	5.82%	4.90%
Inflation (RPI) assumption	3.10%	3.15%
Inflation (CPI) assumption	2.79%	2.78%
Pensionable earnings increases assumption	3.79%	3.78%
Mortality before retirement	No allowance	No allowance
Life expectancy for a male currently age 65	20.2 years	20.2 years
Proportion married at retirement	75% for males and 75% for females	75% for males and 75% for females
Allowance for cash commutation	75% of maximum allowance	75% of maximum allowance
Discretionary increases	No allowance	No allowance

Assumptions for future inflation linked pension increases (where applicable) are based on the appropriate headline inflation index, adjusted where necessary to reflect any caps and collars, bearing in mind the proximity of the future inflation assumption to those caps and collars and the expected variability of future inflation increases. These assumptions are set out below in full.

Note that these represent all possible assumptions that could apply to scheme benefits, and in practice not all of these assumptions will be used.

	As at 31 March 2025	As at 31 March 2024
	% per annum	% per annum
Revaluation in deferment RPI 5%	3.10	3.15
Revaluation in deferment RPI 2.5%	2.50	2.50
Revaluation in deferment CPI 5%	2.79	2.78
Revaluation in deferment CPI 2.5%	2.50	2.50

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025**

CARE in deferment RPI 5%	2.99	3.03
CARE in deferment CPI 5%	2.73	2.72
CARE in deferment CPI 2.5%	1.97	1.96
Pension increase in payment RPI	3.13	3.18
Pension increase in payment RPI 5%	2.99	3.03
Pension increase in payment RPI 3%	2.36	2.38
Pension increase in payment RPI 2.5%	2.07	2.09
Pension increase in payment RPI 5% min 3%	3.63	3.65
Pension increase in payment CPI	2.83	2.82
Pension increase in payment CPI 5%	2.73	2.72
Pension increase in payment CPI 3%	2.22	2.21
Pension increase in payment CPI 2.5%	1.97	1.96
Pension increase in payment CPI 5% min 3%	3.52	3.51

All other assumptions have been set in accordance with the statement of funding principles. No allowance has been made for members transferring benefits out of the scheme in future.

Additional Information on Asset Gains and Losses

Return on plan assets (excluding amounts included in net interest cost)	(1673)	(1915)
Impact of changes in share of assets	(621)	549
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(2,294)	(1,366)

Additional Information on Experience Gains and Losses

Impact of experience arising on plan liabilities excluding the impact of any change in orphan share	314	1,163
Impact of change in orphan share	-	(7)
Experience gains and losses arising on the plan liabilities - gain (loss)	314	1,156

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****Defined Benefit Costs Recognised in Statement of
Comprehensive Income (SOCl) (Projected*)****Period from
31 March 2025 to
31 March 2026
(£000s)**

Current service cost	298
Expenses	30
Net interest expense	121
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
	449
Defined benefit costs recognised in statement of comprehensive income (SoCI)	

* The total expense recognised in profit and loss account item may change by the actual year end to take account of:

- Events during the year not incorporated into the calculations, for example benefit improvements, settlements or curtailments.
- Actual cash-flows differing from the estimated cash-flows, and affecting the net interest cost.

**ANALYSIS OF THE SENSITIVITY TO THE PRINCIPAL
ASSUMPTIONS OF THE PRESENT VALUE OF THE
DEFINED BENEFIT OBLIGATION**

	Change in assumption	Change in liabilities
Discount rate	Increase of 0.1% p.a.	-
Rate of inflation	Increase of 0.1% p.a.	-
Rate of salary growth	Increase of 0.1% p.a.	-
Rate of mortality	Probability of surviving each year increased by 10%	-

QUEENS CROSS HOUSING ASSOCIATION LIMITED

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation, pension increases and salary growth where appropriate.

Past services deficit (continued)

Strathclyde Pension Fund

There are 11 employees who are members of the Strathclyde Pension Fund which is a statutory multi-employer defined benefit scheme. It is administered by Glasgow City Council in accordance with the Local Scheme (Scotland) Regulations 1998, as amended.

The Association has opted to recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. To that extent the in year FRS102 gain on this scheme has not been recognised within the actuarial movement.

The main financial assumptions used by the Council's Actuary, Hymans Robertson, in their calculations are as follows:

Assumptions as at	31 March 2025	31 March 2024
Price increases	2.80%	2.80%
Salary increases	3.50%	3.50%
Discount rate	5.80%	4.80%

Mortality

Life expectancy is based on the Funds VitaCurves with improvements in line with the CMI 2020 model assuming current rates of improvements have peaked and will converge to a long-term rate of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	19.9 years	20.5 years
Future Pensioners	18.4 years	22.9 years

Scheme assets

The assets in the scheme and the expected rate of return were

	Value at 31 March 2025 £000's	Value at 31 March 2024 £000's
Fair value of plan assets	9,884	9,736
Present value of scheme liabilities	5,781	5,964
Present value of unfunded liabilities		
Net pension asset	3,772	3,599

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****27. Pensions (continued)
Reconciliation of defined benefit obligation**

	2025	2024
	£	£
Opening Defined Benefit Obligation	5,964,000	5,440,000
Current Service Cost	56,000	61,000
Interest Cost	283,000	256,000
Plan participants contributions	18,000	19,000
Actuarial losses	985,000	382,000
Unfunded Benefits Paid	(9,000)	(9,000)
Benefits Paid	(195,000)	(185,000)
Closing Defined Benefit Obligation	5,132,000	5,964,000

Reconciliation of fair value of employer assets

	2025	2024
	£	£
Opening Fair Value of Employer Assets	9,736,000	9,039,000
Interest income on plan assets	464,000	456,000
Plan participants contributions	18,000	19,000
Contributions by the employer	34,000	4,000
Contributions in respect of Unfunded Benefits	-	-
Actuarial (losses)/gains	(173,000)	433,000
Benefits Paid	(195,000)	(185,000)
Closing Fair Value of Employer Assets	9,884,000	9,736,000
Net pension asset	4,752,000	3,772,000

Analysis of amounts included in the Statement of Comprehensive Income

	2025	2024
	£'000	£'000
Expected return on pension scheme assets	569	426
Interest on pension scheme liabilities	(293)	(256)
Net Return – finance cost	276	170

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****27. Pensions (continued)**

	2025 £000'S	2024 £000'S
Current service cost	56	61
Past service cost	-	-
Losses on curtailments	-	-
Contributions in respect of unfunded benefits	(9)	(9)
Contribution by employers	34	(4)
	<hr/>	<hr/>
(Credit)/charge to staff costs	81	48
	<hr/> <hr/>	<hr/> <hr/>

Analysis of amount recognised in the Statement of Comprehensive Income

	2025 £	2024 £
Actual return less expected return on scheme assets	435,000	(462,000)
Changes in assumptions underlying the present value of scheme liabilities	382,000	(2,949,000)
	<hr/>	<hr/>
Actuarial (loss)/gain recognised in other comprehensive income	817,000	(3,411,000)
	<hr/> <hr/>	<hr/> <hr/>

Change in assumption at 31 March 2025

	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	86
1 year increase in life expectancy	4%	205
0.1% increase in the Salary Increase Rate	0%	4
0.1% increase in the Pension Increase Rate	2%	84

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****28. Revenue Commitments**

The Association has total commitments under operating leases as follows:

	2025		2024	
	Land & buildings	Other leases	Land & buildings	Other leases
	£	£	£	£
Within one year	243,600	94,870	243,600	
Between two and five years	243,600	189,740	487,200	-
	<u>487,200</u>	<u>284,610</u>	<u>730,800</u>	<u>-</u>

29. Related party transactions**Queens Cross Factoring Limited**

Queens Cross Factoring Limited is a subsidiary undertaking of Queens Cross Housing Association Limited.

Queens Cross Housing Association Limited has a service level agreement in place with Queens Cross Factoring Limited. During the year, management charges in respect of this agreement were charged to Queens Cross Factoring Limited of £502,675 (2024: £387,520).

Gift Aid of £40,000 (2024: £20,000) was made by Queens Cross Factoring Limited during the year. This has still to be paid over and is thus included in the amounts owed by Queens Cross Factoring Limited at the year end.

The total balance due in respect of these transactions is £1,269,883 (2024: £1,444,245) and is included in debtors.

During 2012/13 Queens Cross Housing Association Limited provided a loan of £900,000 to Queens Cross Factoring Limited to purchase 12 investment properties. The balance owed at the start of the year was £487,160. Interest of £36,730 (2024: £36,730) was accrued in respect of this loan during the year. There is not a set repayment schedule in place but the loan is repayable over 20 years. £50,000 (2024: £50,000) was repaid in the year leaving a balance at 31 March 2025 of £437,160 (2024: £487,160), (2023: £537,160). £407,160 (2024: £441,160) of this balance is due after more than one year with £30,000 (2024: £40,000) expected to be paid in 2025/26 and thus is included in amounts due within one year.

Queens Cross Workspace Limited

Queens Cross Workspace Limited Queens Cross Housing Association Limited has a service level agreement in place with Queens Cross Workspace Limited. During the year, management charges in respect of this agreement were charged to Queens Cross Workspace Limited of £206,168 (2024: £195,734). As at 31 March 2025 £146,034 was due to the Association from Queens Cross Workspace Limited (2024: £113,209)

QUEENS CROSS HOUSING ASSOCIATION LIMITED**Notes to the Financial Statements
For the year ended 31 March 2025****30. Board members**

The Association has Board members who are also tenants. The total rent received in the year relating to tenant Board members is £26,103 (2024: £22,541). The total rent arrears relating to tenant Board members included within debtors at the year-end is £148 (2024: £nil).

31. Legislative Provisions

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014.

32. Prior Year Adjustment

During the year it came to light that grants received as direct contributions to capital additions had been classified as deferred capital grants, even though they did not meet the criteria for deferral. As a result of this the comparative figures for Housing Properties and Deferred Capital grants have been restated, along with the associated effect on Creditors falling due in greater than one year. No amortisation had been release in relation to the mis-classified grant, therefore there is no overall impact on the previously reported net deficit.

	2024 £
Net Book Value of Housing Properties as at 31 March 2024 as previously reported	161,739,529
Capital grants reclassified	(719,328)
Net Book Value of Housing Properties as at 31 March 2024 as restated	161,020,201

	2024 £
Deferred capital grants as at 31 March 2024 as previously reported	89,576,904
Capital grants reclassified	(719,328)
Deferred capital grants as at 31 March 2024 as restated	88,857,576

QUEENS CROSS HOUSING ASSOCIATION LIMITED

45 Firhill Road
Glasgow
G20 7BE
27 August 2025

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

Dear Sirs

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other board members and officials of the Association, the following representations given to you in connection with your audit of the Association's accounts for the year ended 31 March 2025.

1. We acknowledge as members our responsibility for making accurate representations to you and for the accounts which you have prepared for the Association. All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Association have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management meetings, have been made available to you.
2. The financial statements are free of material misstatements including omissions.
3. We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect fraud. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud. There have been no irregularities (or allegations of irregularities) involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
4. The Association has no liabilities or contingent liabilities other than those disclosed in the accounts.
5. All claims in connection with litigation that have been, or are expected to be, received have been properly accrued for in the financial statements.
6. There have been no events since the balance sheet date that require disclosure or which would materially affect the amounts in the accounts, other than those already disclosed or included in the accounts. Should further material events occur, which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, we will advise you accordingly.
7. The Association has had at no time during the year any arrangement, transaction or agreement to provide credit facilities (including loans, quasi-loans or credit transactions) for members nor to guarantee or provide security for such matters.
8. We confirm that we have disclosed to you all related party transactions relevant to the Association and that we are not aware of any further related party matters that require disclosure in order to comply with the requirements of the Statement of Recommended Practice for registered social housing providers or accounting standards.
9. The Association has not contracted for any capital expenditure other than as disclosed in the accounts.
10. The Association has satisfactory title to all assets and there are no liens or encumbrances on the Association's assets, except for those that are disclosed in the financial statements.

11. We are not aware of any irregularities, including fraud, involving management or employees of the Association. No allegations of such irregularities, including fraud, have come to our attention.
12. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
13. We confirm that there are no laws or regulations that are central to the Association's ability to conduct its affairs.
14. We confirm that, in our opinion, the Association is a going concern on the grounds that current and future sources of funding or support will be more than adequate for the Association's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the Association's ability to continue as a going concern need to be made in the financial statements.
15. We confirm that we approve the journal adjustments detailed below which have been processed in drafting the statutory accounts.

Nature of deviation & reason for it	Actual deviation £	Adjusted I & E effect £	Adjusted B/S effect £
Being adjustment for audit fee accrual	19,218	19,218	(19,218)
Being pension adjustment	1,107,000	60,000 (60,000)	1,047,000 (1,047,000)
Being adjustment for contract retentions	267,827	267,827	(267,827)
Being correction to share capital	54	(54)	54

16. We confirm that we have considered the unadjusted errors shown below. It is our view that the cost of making these adjustments to the financial statements outweighs any benefits that will be gained by users of the accounts. The combined effect of the errors is not material and we do not consider that their absence from the financial statements affects the true and fair view given.

Nature of deviation & reason for it	Actual deviation £	Unadjusted SOCI effect £	Unadjusted B/S effect £
Being incorporation of trade creditors	62,264	62,264	(62,264)
Being adjustment for debit balances in creditors	68,549	-	68,549 (68,549)

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

Signed by:

Andrew Burns

Andrew Burns

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On behalf of the Board of Management

DocuSigned by:

Neil Manley

Neil Manley

.....0EB5428254BD403.....

On behalf of Executive Management