PRINCIPAL



MILNBANK HOUSING ASSOCIATION LIMITED

ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

MILNBANK HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVE OFFICERS AND ADVISERS

Management Committee

A Scott	(Chairperson)
A Jenkins	(Vice-chair)
C McGuire	(Secretary)
J Donaghy	(Treasurer)
R Tinney	
M Hutchison	
N Halls	
A Young	
J O'Donnell	
M Anderson	
G O'Hara	
M Smith	
E Conwell	
G Hay	

Executive Officers

P Martin	Chief Executive Officer
L Sichi	Deputy Chief Executive Officer
K Notman	Director of Finance (employed from 19 August 2024)
C Chalk	Director of Housing & Community Initiatives
R Anderson	Director of Asset Management (employed from 13 November 2023)

Registered Office
53 Ballindalloch Drive
Glasgow
G31 3DQ

Auditor
Azets Audit Services
Statutory Auditor
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Bankers

Bank of Scotland	Nationwide BS	GB Social Housing plc
1195 Duke Street	Kings Park Road	Future Business Centre
Glasgow	Moulton Park	Kings Hedges Road
G31 5NJ	Northampton	Cambridge
	NN3 6NW	CB4 2HY

Solicitors

Low Beaton Richmond	TC Young	BTO
Sterling House	7 West George Street	48 St Vincent Street
20 Renfield Street	Glasgow	Glasgow
Glasgow	G2 1BA	G2 5HS
G2 5AP		

MILNBANK HOUSING ASSOCIATION LIMITED

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Registration information

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014. Registered number 1818 R(S)
Scottish Charity Number	SC039891
The Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered number 161

MILNBANK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

The Management Committee present their report and the audited financial statements for the year ended 31 March 2024.

Objectives

The Group consists of Milnbank Housing Association Limited, Milnbank Property Services Limited and Milnbank Community Enterprises Limited. The principal activity of the Association is the provision of social rented accommodation. The Association also undertakes wider role activities and owns and manages the Carbon Footprint Nursery, although the outsourcing of the management and operation of the Nursery to a third party took place from 8 January 2024. The principal activity of Milnbank Property Services Limited is the provision of factoring services including the provision of repair and maintenance services. The principal activity of Milnbank Community Enterprises Limited is community engagement and development.

The Group's primary objective is to provide low-cost high-quality housing to its tenants and actively engage in the improvement of the community.

Performance of Business

The Association has faced challenging times in recent years, including the Covid-19 pandemic, the cost-of-living crisis, and global conflicts. These challenges continue to affect our daily lives. Despite this, at Milnbank Housing Association, our focus remains on working as 'One Milnbank' to offer the same quality of services, support, and housing to all tenants and residents.

We have successfully improved the efficiency of our operations, as reflected in these financial statements which show a shift from a deficit in the prior year to a surplus in the current year. Moving forward, we will continue to maximise income and control costs while still investing in our assets.

Financial stability and effective treasury management are essential for realising our vision and goals. Our priority is making sound long-term decisions, with our future plans centred on achieving efficiencies and carefully managing risks to meet our objectives.

We look forward with confidence to the future and to delivering our strategic priorities which include: -

(a) To do what matters most for tenants, other customers, and the community;
(b) To provide housing and property services that our customers regard as being of a high standard, affordable and good value for money;
(c) To manage our assets and resources well, maximising investment in our housing and providing new housing while managing rising costs and other delivery challenges;
(d) To be a strong community anchor organisation for Dennistoun and Haghill, supporting the community through MHA's own efforts and through partnerships with community organisations and other service providers;
(e) To ensure that MHA is financially viable, well-governed, and has the capacity to achieve its objectives for the benefit of customers and the community; and
(f) To enhance the growth and development of MHA staff while maximising the deployment of available technology as an integral part of our commitment to providing value for money and the highest standard of customer service.

Future Plans

The Association continues to review the Business Plan which covers the period 2023 – 2026. The Management Committee has set the following strategic direction for the Association:

Customer First Strategy

We will develop a customer-first strategy by setting up a new specialist team focused on working with tenants. This will include annual tenant visits conducted by patch-based housing officers to ensure direct engagement. Additionally, research will be conducted into tenants' future needs, expectations, and aspirations to ensure that these insights guide decision-making regarding homes and services. To enhance digital engagement, the MHA customer portal will be promoted, encouraging more customers to interact digitally, along with the development of additional tools like apps and social media platforms.

Asset Management

The asset management strategy will be updated to align with MHA's business objectives, ensuring continued financial viability and compliance with lender obligations while safeguarding stakeholder interests. The performance of existing assets will be closely monitored and managed, with the strategy aiding the Management Committee in assessing whether current and future homes are fit for purpose. An appraisal model will be developed to effectively measure property performance through a cost-benefit analysis approach.

Community Support

A range of community support services will continue to be provided, including community engagement, income maximisation, and the use of community halls. The affordability of existing commitments will be reviewed to assess their impact on MHA's overall business, helping to identify future priorities for support.

Factoring

An options appraisal will be conducted to evaluate the feasibility of expanding the current factoring service. Our subsidiary company, Milnbank Property Services will focus on developing new digital platforms to streamline operations, including online portals for reporting issues and making payments.

Development

The outcome of financial and risk appraisals, including Housing Association Grant support will be monitored to ensure that any development, such as the site of the former primary school, complies with the Scottish Housing Regulator's Thematic Study on the development of new build homes.

Governance and Organisational Management

MHA will maintain compliance with regulatory standards and guidance while working to retain and attract local residents to serve on the Management Committee and our subsidiary, Milnbank Property Services. Ongoing efforts will promote management committee membership and other forms of community involvement through a successful program of meetings and activities.

The MHA Organisational Review will be finalised, and the structure, including governance and staffing, will continue to be evaluated to identify inefficiencies, overlaps, or gaps in responsibilities. The Digital Transformation Strategy will be implemented to increase the use of digital methods in service delivery and enhance staff efficiency.

Value for Money (VFM)

MHA's organisation-wide VFM Strategy will be monitored to ensure that VFM objectives are robustly pursued in all business areas. Conversations with tenants will continue to better understand their needs and priorities, guiding decisions on where to provide better value for money. Milnbank will build upon its improved performance on VFM indicators while keeping firm control over running costs and reducing non-essential expenditure. Opportunities for efficiencies in procurement costs will be sought through partnerships with other community-controlled housing associations. The new MHA rent structure will be further implemented to ensure rents are fairer and more consistent. A financial plan will be developed to balance MHA's operating costs with the funding required for housing stock investment. This plan will include future rent increases to bring rents to a sustainable level while maintaining value for tenants. Rent affordability will be tested against the MHA benchmark to ensure that working households do not spend more than 30% of their net earnings on rent, with all rents passing this test comfortably for 2024/25.

Implementation of the organisational objectives as set out in the Business Plan will be supported by comprehensive Work Plans that have been adopted to cover each function. Work Plans are also informed by the Tenant Satisfaction Survey and ongoing feedback from the Association's tenants and owners.

Risk and Uncertainties

The Association recognises the risks and uncertainties that it faces and maintains a comprehensive Risk Audit Register to cover all aspects of its operations. The register is reviewed regularly, with a rating system applied to categorise each risk. Key risks highlighted and recognised with high-scoring areas are monitored by the Audit and Risk Committee then reported to the Management Committee. The major risks remain around the severe deterioration in external economic conditions (the increased cost of living; the conflict in Ukraine), the loss of rental income and higher rent collection costs due to universal credit and other factors and MHA ensuring compliance with the various legal and regulatory requirements.

Financial review

Group

Turnover for the year decreased to £7,912,842 from £8,202,113 due to the loss of income from not operating the supported units at Walpole and Circus Drive (these services were discontinued in the prior year), the transfer of the operation of the Nursery to a 3rd party as a well as a reduction in turnover in Milnbank Property Services Limited as there were lower rechargeable repairs to owners. This decrease in turnover was offset by an increase in rental income as a result of the rent increase of 5% from 1 April 2024. The Group and the Association have taken significant steps to reduce costs and these efforts have resulted in a surplus for the year of £364,940 compared with a deficit in the prior year of £1,505,546 although this surplus included a gain of £298,206 from the disposal of Former Walpole Facility, 6 Craigpark Drive and two other housing units.

Association

In line with the performance of the Group, the turnover for the Association has fallen to £7,408,863 from £7,530,410 in the prior year with a healthy surplus of £371,560 compared with a deficit in the prior year of £1,495,941

Milnbank Property Services Limited

Turnover decreased from £901,717 to £781,401 in 2024. The profit after providing for taxation amounted to £5,090 (2023 - £10,469).

Milnbank Community Enterprises Limited

Turnover decreased from £67,426 in 2023 to £39,377 in 2024. The loss after providing for taxation amounted to £42,789 (2023 – profit of £655). The Group made the decision to transfer the trade of MCE into the Association in March 2024. In 2024/25, MCE will be wound up and struck off.

Financial and non-financial key performance indicators

The Association continues to perform well across key indicators by showing strong returns against all elements of the Annual Return on the Charter to the Scottish Housing Regulator. The Association still has amongst the lowest average rents across the sector and carried out a comprehensive tenant satisfaction survey in 2023 which confirmed that the Association enjoys strong satisfaction levels. 91% of those surveyed were satisfied with the overall service provided by the Association (Indicator 1). The Association enjoys similar positive outcomes against other ARC indicators, all of which exceeded a 90% satisfaction rate.

The Association is also fully compliant with all funding and lending covenants.

Going Concern

The financial statements have been prepared on a going concern basis, which the Management Committee consider to be appropriate for the following reasons:

The Group prepares a 30-year business plan which is updated and approved on an annual basis. As well as considering the impact of a number of scenarios on the business plan the Management Committee also adopted a stress-testing framework against the base plan. The stress testing impacts were measured against minimum cash levels and peak borrowing levels compared to current facilities with potential mitigating actions identified to reduce expenditure.

The Management Committee, after reviewing budgets for 2024/25 and the medium-term financial position as detailed in the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the Group has adequate resources to continue to meet their liabilities over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

Risk and Uncertainties

The Association recognises the risks and uncertainties that it faces and maintains a comprehensive Risk Audit Register to cover all aspects of its operations. The register is reviewed regularly, with a rating system applied to categorise each risk. Key risks highlighted and recognised with high-scoring areas are monitored by the Audit and Risk Committee then reported to the Management Committee. The major risks remain around the severe deterioration in external economic conditions (e.g., pandemic recovery, Brexit, the increased cost of living), the loss of rental income and higher rent collection costs due to universal credit and other factors and MHA ensuring compliance with the various legal and regulatory requirements.

The Management Committee and Executive Officers

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

Related Party Transactions

Some members of the Management Committee are tenants or factored owners. Their tenancies are on the Association's normal tenancy terms, and they cannot use their positions to their advantage. Details of transactions with Committee members in the year is included in note 27 of the financial statements.

Auditor

The re-appointment of Azets Audit Services will be proposed at the Annual General Meeting.

Governance

The Association is governed by the Management Committee. The full Management Committee meets monthly with a holiday recess in July. The Committee meetings are structured so that strategic and operational issues are considered separately, with the General Committee reviewing strategic issues and the Services Committee reviewing more operational issues. The Audit & Risk Sub Committee meets three times per year to review the management accounts, financial matters of the Association, internal audit compliance and key risks areas. The Audit & Risk Subcommittee also considers the effectiveness of good governance, regulatory compliance and financial integrity, then reports on its full remit with recommendations and approvals to the full Management Committee. Regular training and awareness sessions are held to support the various Committees both internally and externally.

In line with SHR requirements regular Committee appraisals are carried out and training logs are maintained for each Committee member. Members are elected annually at the Association's AGM in September as the rotation requires and in line with SHR expectations on the length of service that members can retain. The day-to-day operations of the Association are passed to the Leadership Team under the appropriate delegated authority and limits.

The Association reviews its compliance with the Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management on a rolling programme. The current engagement with the Scottish Housing Regulator is Compliant.

Statement of the Management Committee's Responsibilities

Housing Association legislation requires the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Association and of the income and expenditure of the Group and the Association for the year ended on that date. In preparing those financial statements the Management Committee are required to:-

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

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefits Societies (Group Accounts) Regulations 1969, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements.

The Management Committee is also responsible for safeguarding the assets of the Group and the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Management Committee is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditor

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

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

Statement on Internal Financial Control

The Management Committee acknowledge their ultimate responsibility for ensuring that the Group and 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 Group and the Association or for publication.
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposition.

It is the Management Committee's responsibility to establish and maintain systems of internal financial controls. Such systems can only provide reasonable and not absolute assurance against material financial misstatement 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 Group's and 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 Management Committee 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 Management Committee members;

(e) the Leadership Team performs internal audit reviews and reports back to the Committee on the findings; in addition, "external" internal audits will be undertaken as required to provide further assurance. A firm of internal auditors, including Alexander Sloan, has completed Year 3 of a 3-year rolling programme.

(f) the Management Committee 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 auditor, internal auditor and the Compliance Officer.

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

By order of the Management Committee

C McGuire
Secretary

Dated: 10 September 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILNBANK HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the financial statements of Milnbank Housing Association Limited (the "Association") and its subsidiaries (the "Group") for the year ended 31 March 2024 which comprise the Group and Association Statements of Comprehensive Income, the Group and Association Statements of Changes in Capital and Reserves, the Group and Association Statements of Financial Position, the Group and Association Statements of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and Association's affairs as at 31 March 2024 and of the Group's and Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements issued by the Scottish Housing Regulator.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Management Committee

As explained more fully in the Statement of the Management Committee's responsibilities set out on page 5 the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report

The extent to which the audit was considered capable of detecting irregularities including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the Group and the Association, their activities, their control environment, and likely future developments including in relation to the legal and regulatory framework applicable and how the Group and the Association are complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the Group and the Association that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and the Association through discussions with the Management Committee members and the senior management team, and from our knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and the Association, including the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements issued by the Scottish Housing Regulator and taxation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the senior management team and the Management Committee and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the Management Committee and relevant sub-committees;
- enquiring of the senior management team and the Management Committee as to actual and potential litigation and claims;
- reviewing legal and professional fees paid in the year for indication of any actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, the Scottish Housing Regulator, OSCR and the Group's and the Association's legal advisors.

We assessed the susceptibility of the Group's and the Association's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of the senior management team and the Management Committee as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILNBANK HOUSING ASSOCIATION ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services
Statutory Auditor
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 10 September 2024

Azets Audit Services is eligible for appointment as auditor of the Group and the Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MILNBANK HOUSING ASSOCIATION LIMITED

REPORT OF THE AUDITOR TO THE MANAGEMENT COMMITTEE OF MILNBANK HOUSING ASSOCIATION LIMITED ON INTERNAL FINANCIAL CONTROL

In addition to our audit of the Financial Statements, we have reviewed your statement on page 6 concerning the Group's and the Association's compliance with the information required by the Regulatory Standards in respect of internal financial control 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 Group's and the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion
In our opinion the Statement on Internal Financial Control on page 6 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 control and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

Azets Audit Services
Statutory Auditor
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 10 September 2024

Azets Audit Services is eligible for appointment as auditor of the Group and the Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MILNBANK HOUSING ASSOCIATION LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £ Continuing operations	2024 £ Discontinued Operations	2024 £ Total	2023 £ Continuing operations	2023 £ Discontinued operations	2023 £ Total
Turnover	4	**7,766,745**	**146,097**	**7,912,842**	*7,738,381*	*463,732*	*8,202,113*
Operating expenditure	4	**(6,922,497)**	**(275,393)**	**(7,197,890)**	*(8,545,162)*	*(459,482)*	*(9,004,644)*
Operating surplus/(deficit)	4	**844,248**	**(129,296)**	**714,952**	*(806,781)*	*4,250*	*(802,531)*
Gain on disposal of property, plant and equipment		**94,466**	**203,740**	**298,206**	*47,851*	-	*47,851*
Interest receivable and other income	10	**147,963**	**-**	**147,963**	*31,478*	-	*31,478*
Interest payable and similar charges	11	**(796,181)**	**-**	**(796,181)**	*(782,344)*	-	*(782,344)*
Surplus/(deficit) for the year before taxation		**290,496**	**74,444**	**364,940**	*(1,509,796)*	*4,250*	*(1,505,546)*
Taxation	12	**-**	**-**	**-**	-	-	-
Surplus/(deficit) for the year after taxation		**290,496**	**74,444**	**364,940**	*(1,509,796)*	*4,250*	*(1,505,546)*
Other comprehensive income							
Actuarial (loss) in respect of the SHAPS	22	**(317,000)**	**-**	**(317,000)**	*(219,000)*	-	*(219,000)*
Actuarial (loss)/gain in respect of the Strathclyde pension scheme	22	**(14,000)**	**-**	**(14,000)**	*53,000*	-	*53,000*
Total comprehensive income/(loss) for the year		**(40,504)**	**74,444**	**33,940**	*(1,675,796)*	*4,250*	*(1,671,546)*

The discontinued operations are the supporting housing services at Walpole and Circus Drive that ceased during 2023/24 and the provision of Nursery services which are now provided by a 3rd party from 8 January 2024. Included in discontinued operations in 2023/24 is the gain on disposal in respect of the Walpole building sold in the year.

The financial statements were authorised for issue by the Management Committee on 10 September 2024 and are signed on their behalf by:

A Scott — Chairperson

A Jenkins — Vice-chairperson

C McGuire — Secretary

The notes form part of these financial statements.

MILNBANK HOUSING ASSOCIATION LIMITED

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £ Continuing operations	2024 £ Discontinued operations	2024 £ Total	*2023 £ Continuing operations*	*2023 £ Discontinued operations*	*2023 £ Total*
Turnover	4	**7,262,766**	**146,097**	**7,408,863**	*7,066,678*	*463,732*	*7,530,410*
Operating expenditure	4	**(6,380,819)**	**(275,393)**	**(6,656,212)**	*(7,884,583)*	*(459,482)*	*(8,344,065)*
Operating surplus/(deficit)	4	**881,947**	**(129,296)**	**752,651**	*(817,905))*	*4,250*	*(813,655)*
Gain on disposal of property, plant and equipment		**94,466**	**203,740**	**298,206**	*47,851*	-	*47,851*
Interest receivable and other income	10	**147,963**	-	**147,963**	*31,478*	-	*31,478*
Interest payable and similar charges	11	**(796,181)**	-	**(796,181)**	*(782,344)*	-	*(782,344))*
Gift aid from subsidiaries	27	**10,469**	-	**10,469**	*20,729*	-	*20,729*
Costs associated with wind up of subsidiary	27	**(41,548)**	-	**(41,548)**			
Surplus/(deficit) for the year before taxation		**297,116**	**74,444**	**371,560**	*(1,500,191)*	*4,250*	*(1,495,941)*
Taxation	12	-	-	-	-	-	-
Surplus/(deficit) for the year after taxation		**297,116**	**77,444**	**371,560**	*(1,500,191)*	*4,250*	*(1,495,941)*
Other comprehensive income							
Actuarial (loss) in respect of the SHAPS	22	**(317,000)**	-	**(317,000)**	*(219,000)*	-	*(219,000)*
Actuarial (loss)/gain in respect of the Strathclyde pension scheme	22	**(14,000)**	-	**(14,000)**	*53,000*	-	*53,000*
Total comprehensive income/(loss) for the year		**(33,884)**	**74,444**	**40,560**	*(1,666,191)*	*4,250*	*(1,661,941)*

The discontinued operations are the supporting housing services at Walpole and Circus Drive that ceased during 2023/24 and the provision of Nursery services which are now provided by a 3rd party from 8 January 2024. Included in discontinued operations in 2023/24 is the gain on disposal in respect of the Walpole building sold in the year.

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MILNBANK HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2024

GROUP STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2024

	Share Capital £	Revenue Reserve £	Total Reserves £
Balance at 1 April 2023	760	15,004,420	15,005,180
Total comprehensive income	-	33,940	33,940
Share capital issued	39	-	39
Share capital cancelled	(95)	-	(95)
Balance at 31 March 2024	704	15,038,360	15,039,064

GROUP STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2023

	Share Capital £	*Revenue Reserve £*	*Total Reserves £*
Balance at 1 April 2022	*784*	*16,675,966*	*16,676,750*
Total comprehensive loss	-	*(1,671,546)*	*(1,671,546)*
Share capital issued	*23*	-	*23*
Share capital cancelled	*(47)*	-	*(47)*
Balance at 31 March 2023	*760*	*15,004,420*	*15,005,180*

ASSOCIATION STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2024

	Share Capital £	Revenue Reserve £	Total Reserves £
Balance at 1 April 2023	760	14,992,640	14,993,400
Total comprehensive income	-	40,560	40,560
Share capital issued	39	-	39
Share capital cancelled	(95)	-	(95)
Balance at 31 March 2024	704	15,033,200	15,033,904

ASSOCIATION STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2023

	Share Capital £	*Revenue Reserve £*	*Total Reserves £*
Balance at 1 April 2022	*784*	*16,654,581*	*16,655,365*
Total comprehensive loss	-	*(1,661,941)*	*(1,661,941)*
Share capital issued	*23*	-	*23*
Share capital cancelled	*(47)*	-	*(47)*
Balance at 31 March 2023	*760*	*14,992,640*	*14,993,400*

The notes form part of these financial statements

MILNBANK HOUSING ASSOCIATION LIMITED

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Tangible fixed assets			
Housing properties	13	**34,564,813**	*34,160,987*
Other fixed assets	13	**935,907**	*722,768*
	13	**35,500,720**	*34,883,755*
Current assets			
Stock	16	**-**	*2,088*
Debtors	17	**1,069,658**	*723,478*
Cash at bank and in hand and cash equivalents	18a	**2,202,093**	*3,570,183*
Investments – bank deposits › 3 months	18b	**4,300,000**	*2,500,000*
		7,571,751	*6,795,749*
Creditors: amounts falling due within one year	19	**(3,369,471)**	*(2,754,498)*
Net current assets		**4,202,280**	*4,041,251*
Total assets less net current assets		**39,703,000**	*38,925,006*
Creditors: amounts falling due after more than one year	20	**(24,077,936)**	*(23,672,311)*
Pension - SHAPS defined benefit liability	22	**(586,000)**	*(261,000)*
Pension - Strathclyde defined benefit asset	22	**-**	*14,000*
Deferred taxation	23	**-**	*(515)*
Net assets		**15,039,064**	*15,005,180*
Capital and reserves			
Share capital	24	**704**	*760*
Revenue reserve	25	**15,038,360**	*15,004,420*
		15,039,064	*15,005,180*

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MILNBANK HOUSING ASSOCIATION LIMITED

ASSOCIATION STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
Tangible fixed assets			
Housing properties	13	**34,564,813**	*34,160,987*
Other fixed assets	13	**935,907**	*722,498*
	13	**35,500,720**	*34,883,485*
Investments			
Investments in subsidiaries	15	**2**	*2*
Current assets			
Debtors	17	**1,092,197**	*932,219*
Cash at bank and in hand and cash equivalents	18a	**2,049,657**	*3,246,421*
Investments – bank deposits › 3 months	18b	**4,300,000**	*2,500,000*
		7,441,854	*6,678,640*
Creditors: amounts falling due within one year	19	**(3,244,736)**	*(2,649,416)*
Net current assets		**4,197,118**	*4,029,224*
Total assets less net current assets		**39,697,840**	*38,912,711*
Creditors: amounts falling due after more than one year	20	**(24,077,936)**	*(23,672,311)*
Pension - SHAPS defined benefit liability	22	**(586,000)**	*(261,000)*
Pension - Strathclyde defined benefit asset	22	**-**	*14,000*
Net assets		**15,033,904**	*14,993,400*
Capital and reserves			
Share capital	24	**704**	*760*
Revenue reserve	25	**15,033,200**	*14,992,640*
		15,033,904	*14,993,400*

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The notes form part of these financial statements.

MILNBANK HOUSING ASSOCIATION LIMITED

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	£	2024 £	£	2023 £
Net cash generated from operating activities	29		**1,348,952**		*61,088*
Cash flow from investing activities					
Purchase of tangible fixed assets		**(1,513,200)**		*(1,177,688)*	
Proceeds from sale of tangible fixed assets		**744,667**		*74,809*	
Interest received		**147,963**		*31,478*	
Transfers to investments – bank deposit account		**(1,800,000)**		*(2,500,000)*	
Receipt of deferred Government Capital grant		**843,376**		*447,613*	
			(1,577,194)		*(3,123,788)*
Cash flow from financing activities					
Interest paid		**(893,105)**		*(889,268)*	
Repayment of borrowings		**(246,782)**		*(238,230)*	
SHAPS past service deficit payments		**-**		*(91,620)*	
Issue of share capital		**39**		*23*	
			(1,139,848)		*(1,219,095)*
Net changes in cash and cash equivalents			**(1,368,090)**		*(4,281,795)*
Cash and cash equivalents at 1 April			**3,570,183**		*7,851,978*
Cash and cash equivalents at 31 March			**2,202,093**		*3,570,183*

(i) Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	Other non-cash changes £	At 31 March 2024 £
Cash and cash equivalents				
Cash and cash equivalents	*3,570,183*	**(1,368,090)**	**-**	**2,202,093**
Investments				
Deposit accounts	*2,500,000*	**1,800,000**	**-**	**4,300,000**
Borrowings				
Debt due within one year	*(340,924)*	**246,782**	**(256,782)**	**(350,924)**
Debt due after one year	*(20,798,417)*	**-**	**357,706**	**(20,440,711)**
	(21,139,341)	**246,782**	**100,924**	**(20,791,635)**
Total	*(15,069,158)*	**678,692**	**100,924**	**(14,289,542)**

The notes form part of these financial statements.

MILNBANK HOUSING ASSOCIATION LIMITED

ASSOCIATION STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	£	2024 £	£	2023 £
Net cash generated from operating activities	29		**1,520,278**		*(107,052)*
Cash flow from investing activities					
Purchase of tangible fixed assets		**(1,513,200)**		*(1,177,687)*	
Proceeds from sale of tangible fixed assets		**744,667**		*74,809*	
Interest received		**147,963**		*31,478*	
Transfer to investment					
Deposit account		**(1,800,000)**		*(2,500,000)*	
Receipt of deferred Government capital grant		**843,376**		*447,613*	
			(1,577,194)		*(3,123,787)*
Cash flow from financing activities					
Interest paid		**(893,105)**		*(889,268)*	
Repayment of borrowings		**(246,782)**		*(238,230)*	
SHAPS past service deficit payments		**-**		*(91,620)*	
Issue of share capital		**39**		*23*	
			(1,139,848)		*(1,219,095)*
Net changes in cash and cash equivalents			**(1,196,764)**		*(4,449,934)*
Cash and cash equivalents at 1 April			**3,246,421**		*7,696,355*
Cash and cash equivalents at 31 March			**2,049,657**		*3,246,421*

(i) Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	Other non-cash changes £	At 31 March 2024 £
Cash and cash equivalents				
Cash and cash equivalents	*3,246,421*	**(1,196,764)**	**-**	**2,049,657**
Investments				
Deposit accounts	*2,500,000*	**1,800,000**	**-**	**4,300,000**
Borrowings				
Debt due within one year	*(340,924)*	**246,782**	**(256,782)**	**(350,924)**
Debt due after one year	*(20,798,417)*	**-**	**357,706**	**(20,440,711)**
	(21,139,341)	**246,782**	**100,924**	**(20,791,635)**
Total	*(15,392,920)*	**850,018**	**100,924**	**(14,441,978)**

The notes form part of these financial statements.

1. General Information

The Association is registered under The Co-operative & Community Benefit Societies Act 2014. The group financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Determination of Accounting Requirements issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018.

The preparation of 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 Group's and 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 defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities. The Association is a registered social landlord in Scotland and its registered number is 161. The registered address is 53 Ballindalloch Drive, Glasgow, G31 3DQ.

2. 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 2024, which occurred before the date of approval of the financial statements by the Management Committee have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2024 and of the results for the year ended on that date.

Going Concern

On an annual basis, the Association produces long-term financial forecasts, extending for 30 years. These forecasts are based on the most up-to-date and accurate information available. The projections include the Life Cycle Costings model which was prepared by using the results from the latest Stock Condition Survey.

The forecasts project healthy surpluses and cash reserves in the next 5 years and thus the Management Committee is satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus, the Management Committee continues to adopt the going concern basis of accounting in preparing the annual financial statements for the Group and the Association.

The trade of Milnbank Community Enterprises Limited (MCE) was transferred to the Association in March 2024. In 2024/25, MCE will be wound up and struck off.

2. **Accounting policies (continued)**

Turnover

Milnbank Housing Association Limited
Turnover represents rental and service charge income, nursery fees, fees for the provision of supported housing, and fees or revenue grants receivable from Glasgow City Council and from the Scottish Government. Also included is any income from first tranche shared ownership disposals.

Income from rental and service charges and commercial letting activities is recognised when the Association is entitled to it, it is probable it will be received, and it can be measured reliably.

Milnbank Property Services Limited and Milnbank Community Enterprises Limited
Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred in respect of the transaction can be measured reliably.

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.

Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income when the Group is entitled to it.

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.

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.

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

2. Accounting policies (continued)

Fixed assets - Housing properties (continued)

All invoices and architects' certificates relating to capital expenditure incurred in the year are included in the accounts for the year at net value, provided that the dates of issue or valuation are prior to the year-end. At the year-end a retention creditor is recognised for all outstanding retentions.

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.

Depreciation

1. Housing properties

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:

Land - not depreciated
Structure – over 100 years
Internal walls – over 20 years
Kitchen – over 15 years
Bathrooms – over 30 years
Boiler – over 20 years
Central Heating / Fixtures – over 20 years
Windows – over 30 years
Rewiring / Electrics – over 20 years
Common Doors – over 30 years
Smoke Detectors - over 10 years

Shared ownership units are depreciated over 100 years.

A full year's depreciation is charged in the year of purchase. No charge is made in the year of disposal.

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: -

Furniture, fittings, & equipment	-	20% reducing balance
Office and storage units	-	2% straight line
Nursery	-	2% straight line

A full year's depreciation is charged in the year of purchase. No charge is made in the year of disposal.

The nursery was rented out to a third party from 8 January 2024 who continues to use the premises as a nursery. The nursery is viewed as being a community asset and the provision of the nursery, via this 3rd party, is still considered to meet the charitable objectives of the Group in respect of ensuring the provision of a nursery service to the benefit of the community. Thus the nursery is held at cost less depreciation within other fixed assets rather than an investment property at fair value.

2. **Accounting policies (continued)**

Stocks

Stock and work in progress is valued at the lower of cost and estimated net realisable value.

Financial instruments

The Group 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 other third 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 Group has transferred substantially all the risks and rewards of ownership.

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

Debtors

Short term debtors are measured at transaction price, 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 & 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.

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.

2. **Accounting policies (continued)**

Government capital grants

Government Capital Grants, at amounts approved by The Scottish Government or Glasgow City Council, are paid directly to the Group 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 Group to recognise income on a systematic basis over the period in which the Group 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 Group recognises the grant in income on a systematic basis over the period in which the Group recognises the related costs for which the grant is intended to compensate.

Non-government 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. Security for these loans is only possible once approval has been given by the Scottish Government.

Pensions (note 22)

Scottish Housing Association Pension Scheme (SHAPS) and Strathclyde Pension Fund (SPF)

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

The SHAPS and SPF are accounted for as a defined benefit scheme and as such the amount charged to the Statement of Comprehensive Income in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost is included within other finance costs/income. Actuarial gains and losses arising from new valuations and from updating valuations to the reporting date are recognised in Other Comprehensive Income.

Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each reporting date.

2. Accounting policies (continued)

The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability.

Auto-enrolment

The Group is also a member of the SHAPS defined contribution scheme and this scheme is used for auto-enrolment. The cost of the employer's contributions is charged to the Statement of Comprehensive Income on an accruals basis.

Financial Commitments

Assets held under finance leases where substantially all the risks and rewards of ownership of the asset have passed to the Group. Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

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

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

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

- The categorisation of housing properties as property, plant, and equipment in line with the requirements of the SORP; and
- The amount disclosed as 'operating surplus' is representative of activities that would normally be regarded as 'operating'.

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

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

Estimate	Basis of estimation
Useful lives of property, plant, and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management, with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.
The obligations under the SHAPS pension scheme and Strathclyde Pension Scheme.	This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.
Impairment of social housing unit	If there are any impairment indicators the carrying value of the social housing unit less any unamortised deferred Government capital grant is compared against the estimated depreciated replacement cost.

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

Group

	Turnover £	Operating expenditure £	2024 Operating surplus/ (deficit) £	*Turnover £*	*Operating expenditure £*	*2023 Operating surplus /(deficit) £*
Affordable letting activities (Note 5)	**7,093,171**	**(5,704,434)**	**1,388,737**	*7,004,499*	*(7,437,337)*	*(432,838)*
Other activities (Note 6)	**315,692**	**(951,778)**	**(636,086)**	*525,911*	*(906,728)*	*(380,817)*
Milnbank Property Services Limited	**781,402**	**(776,312)**	**5,090**	*901,717*	*(891,248)*	*10,469*
Milnbank Community Enterprises Limited	**39,377**	**(82,166)**	**(42,789)**	*67,426*	*(66,771)*	*655*
Less: intergroup service level agreement*	**(316,800)**	**316,800**	**-**	*(297,440)*	*297,440*	*-*
	7,912,842	**(7,197,890)**	**714,952**	*8,202,113*	*(9,004,644)*	*(802,531)*

Association

	Turnover £	Operating expenditure £	2024 Operating surplus/ (deficit) £	*Turnover £*	*Operating expenditure £*	*2023 Operating (deficit) £*
Affordable letting activities (Note 5)	**7,093,171**	**(5,704,434)**	**1,388,737**	*7,004,499*	*(7,437,337)*	*(432,838)*
Other activities (Note 6)	**315,692**	**(951,778)**	**(636,086)**	*525,911*	*(906,728)*	*(380,817)*
	7,408,863	**(6,656,212)**	**752,651**	*7,530,410*	*(8,344,065)*	*(813,655)*

*A service level agreement has been entered into between the Association and its two subsidiaries. The Association charged a service charge of £306,900 *(2023: £287,040)* to Milnbank Property Services Limited and £9,900 *(2023: £10,400)* to Milnbank Community Enterprises Limited. On consolidation this charge is removed to arrive at the Group turnover and operating expenditure.

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

Association	General Needs Housing £	Supported Housing* £	Shared Ownership £	2024 Total £	*2023 Total* £
Income from rent and service charges					
Rent receivable net of service charges	**6,650,928**	**-**	**7,003**	**6,657,931**	*6,353,363*
Service charges	**-**	**-**	**-**	**-**	*-*
Gross income from rents and service charges	**6,650,928**	**-**	**7,003**	**6,657,931**	*6,353,363*
Less voids	**(35,226)**			**(35,226)**	*(108,200)*
Net income from rents and service charges	**6,615,702**	**-**	**7,003**	**6,622,705**	*6,245,163*
Other revenue grants	**-**	**-**	**-**	**-**	*332,261*
Other income	**31,845**	**-**	**-**	**31,845**	*22,269*
Amortisation of deferred government capital grants	**70,477**	**-**	**-**	**70,477**	*60,909*
Stage 3 adaptions grant	**51,344**	**-**	**-**	**51,344**	*46,457*
Service level agreement ***	**316,800**	**-**	**-**	**316,800**	*297,440*
JRS income	**-**	**-**	**-**	**-**	*-*
Total turnover from affordable letting activities	**7,086,168**	**-**	**7,003**	**7,093,171**	*7,004,499*
Expenditure					
Management and maintenance administration costs****	**(3,509,099)**	**-**	**(1,916)**	**(3,511,015)**	*(4,251,800)*
Service charges	**(1,373)**	**-**	**-**	**(1,373)**	*-*
Planned cyclical maintenance including major repairs	**(631,961)**	**-**	**-**	**(631,961)**	*(995,981)*
Reactive maintenance costs	**(865,254)**	**-**	**-**	**(865,254)**	*(1,323,557)*
Bad debts – rents and service charges	**86,284**	**-**	**-**	**86,284**	*(109,147)*
Impairment	**-**	**-**	**-**	**-**	*-*
Depreciation of social housing**	**(776,028)**	**-**	**(5,087)**	**(781,115)**	*(756,852)*
Operating expenditure for affordable letting activities	**(5,697,431)**	**-**	**(7,003)**	**(5,704,434)**	*(7,437,337)*
Operating surplus/(deficit) on affordable letting activities, 2024	**1,388,737**	**-**	**-**	**1,388,737**	
Operating (deficit)/surplus on affordable letting activities, 2023	*(447,735)*	*4,250*	*10,647*		*(432,838)*

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

*Relates to Walpole and Circus Drive. **Depreciation includes £727,079 (*2023: £701,969*) of actual depreciation, and the net book value of disposed components of £54,036 (*2023: £54,883*) which has been included in depreciation in accordance with the SORP.

***The cost of providing the management services to the subsidiaries are included in management and maintenance administrations costs and therefore the income from the service loan agreement is included in this note.

****Includes £38,417 (2023: *£250,446*) of redundancy costs

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

Association				**2024**	**2024**	**2024**	*2023*	*2023*	*2023*
	£	**£**	**£**	**£**	**£**	**£**	*£*	*£*	*£*
	Grants from Scottish Ministers	**Other revenue grants**	**Other income**	**Total Turnover**	**Operating expenditure**	**(Deficit)**	*Total Turnover*	*Operating expenditure*	*(Deficit)*
Wider role activities #	**-**	**169,595**	**-**	**169,595**	**(463,599)**	**(294,004)**	*286,124*	*(334,998)*	*(48,874)*
Community services ~	**-**	**-**	**-**	**-**	**(212,786)**	**(212,786)**	*-*	*(217,078)*	*(217,078)*
Carbon Footprint Nursery	**-**	**-**	**146,097**	**146,097**	**(275,393)**	**(129,296)**	*239,787*	*(354,652)*	*(114,865)*
Total from other activities - 2024	**-**	**169,595**	**146,097**	**315,692**	**(951,778)**	**(636,086)**			
Total from other activities - 2023	-	*286,124*	*239,787*				*525,911*	*(906,728)*	*(380,817)*

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

~ This is respect of CCTV.

7. Directors' Emoluments – Group and Association

The directors are defined as the members of the Management Committee, the Chief Executive Officer (previously Director) and any other person reporting directly to the Chief Executive Officer or the Management Committee. The Association considers key management personnel to be the Management Committee and the Senior Management Team (the Executive Officers as per the first page of the financial statements and the other members of management team) of the Association. The Management Committee received remuneration of £nil (*2023: £nil*) for their services in the year.

	2024	*2023*
	£	*£*
Total emoluments of the former Director, who retired in the prior year (excluding pension Contributions)	**-**	*58,937*

The former Director was a member of the Association's defined benefit pension scheme, as described in note 22. The former Director's pension contribution in the year to 31 March 2024 was £nil (*2023: £8,675*).

Total emoluments of the current Director (excluding pension contributions)	**84,446**	*34,574*

The Chief Executive Officer is a member of the Association's defined contribution pension scheme, as described in note 22. The Chief Executive Officer's pension contributions in the year to 31 March 2024 was £13,471 (*2023: £4,247*).

Total emoluments paid to those earning more than £60,000 excluding pension contributions	**160,062**	*76,600*
Pension contributions paid to those earning more than £60,000	**26,974**	*11,819*

Numbers of Directors whose emoluments exceed £60,000 during the year were as follows (excluding pension contributions):-

	No	*No*
£60,001 - £65,000	**-**	*-*
£65,001 - £70,000	**-**	*-*
£70,001 - £75,000	**-**	*-*
£75,001 - £80,000	**1**	*1*
£80,001 - £85,000	**1**	*-*

	£	*£*
Total expenses reimbursed to directors in so far as not chargeable to United Kingdom income tax	**-**	*1,022*
Total emoluments paid to key management personnel (being the Executive officers and the management team) including pension contributions and employers' NI	**528,424**	*514,378*

8. Employee Information

Group

	2024	2023
The full-time equivalent number of employees employed during the year was:	No.	No.
Administration & Finance	12	14
Housing services management	9	11
Property services (including maintenance)	15	26
Housing with Support	-	7
Wardens & Cleaners	1	9
Nursery	5	6
Wider role	5	9
Milnbank Community Enterprise Limited	2	2
	49	84

	2024	2023
	£	£
Staff costs (Including Directors' Emoluments):		
Wages and salaries	1,896,186	2,654,322
Social security costs	178,248	267,157
Pension costs	185,261	125,276
Defined benefit pension charge – Strathclyde pension fund (note 22)	-	33,000
Defined benefit pension charge - SHAPS (note 22)	(4,000)	(6,380)
	2,255,695	3,073,375

Included in payroll costs are £38,417 *(2023: £250,446)* of redundancy costs.

Association

	2024	2023
The full-time equivalent number of employees employed during the year was:	No.	No.
Administration & Finance	12	14
Housing services management	9	11
Property services (including maintenance)	15	26
Housing with Support	0	7
Wardens & Cleaners	1	9
Nursery	5	6
Wider role	5	9
	47	82

The Nursery staff were TUPED over to the new 3rd party provider on 8 January 2024.

8. Employee Information (continued)

	2024	2023
	£	£
Staff costs (including Directors' Emoluments):		
Wages and salaries	**1,834,202**	*2,609,324*
Social security costs	**174,672**	*264,388*
Pension costs	**184,892**	*124,555*
Defined benefit pension charge – Strathclyde Pension Fund (note 22)	**-**	*33,000*
Defined benefit pension liability – SHAPS (note 22)	**(4,000)**	*(6,380)*
	2,189,766	*3,024,887*

Included in payroll costs are £38,417 of redundancy costs (2023: *£250,446*)

9. Operating Surplus

Group

	2024	2023
	£	£
Operating surplus is stated after charging:		
Depreciation on tangible fixed assets	**784,663**	*733,245*
Depreciation due to loss on disposal of components	**54,036**	*54,883*
Auditor's remuneration (excluding VAT)		
- In their capacity as auditor	**28,615**	*24,000*
- In respect of other services	**3,980**	*7,525*

Association

	2024	2023
	£	£
Operating surplus is stated after charging:		
Depreciation on tangible fixed assets	**784,393**	*731,777*
Depreciation due to loss on disposal of components	**54,036**	*54,883*
Auditor's remuneration (excluding VAT)		
- In their capacity as auditor	**17,850**	*15,000*
- In respect of other services	**2,400**	*4,825*

10. Interest Receivable and Other Income – Group and Association

	2024	2023
	£	£
Interest receivable on deposits	**147,963**	*31,478*

11. Interest payable and similar charges – Group and Association

	2024 £	*2023* *£*
On private loans*	**893,105**	*889,268*
Strathclyde Pension Fund finance charge (note 22)	**-**	*-*
SHAPS finance charge (note 22)	**12,000**	*2,000*
Release of bond creditor	**(108,924)**	*(108,924)*
	796,181	*782,344*

*Includes £8,000 (*2023: £8,000)* arrangement fee amortisation

12. Taxation

Group

The Association is not subject to corporation tax on its charitable activities. However, the surpluses from non-charitable activities are subject to taxation. No corporation tax was due on non-charitable activities (*2023: £nil)*. No corporation tax arose in either subsidiary (*2023: £nil)* due to gift aid payments that are to be made to the Association.

Association

As a charity, Milnbank Housing Association Limited's charitable activities are not subject to taxation. However, the surpluses from non-charitable activities may be subject to taxation. No corporation tax was due on non-charitable activities (*2023: £nil*).

13. Tangible Fixed Assets

Group	Housing Properties Held for Letting	Housing Properties under Development	Shared Ownership Properties	Investment Properties	Office and Storage Units	Furniture Fittings & Equipment	Nursery	Total
Cost	£	£	£	£	£	£	£	£
At start of year	38,119,214	471,748	607,631	52,500	838,320	436,241	386,884	40,912,538
Additions – new units/under development	484,503	292,259	-	-	-	-	-	776,762
Additions – components	458,380	-	-	-	-	-	-	458,380
Additions – other fixed assets					138,764	131,959		270,723
Impairment	-	-	-	-	-	-	-	-
Disposals – units	(36,574)	(16,560)	-	-	-	-	-	(53,134)
Disposals – components	(90,362)	-	-	-	-	-	-	(90,362)
At end of year	38,935,161	747,447	607,631	52,500	977,084	568,200	386,884	42,274,907
Depreciation								
At start of year	4,772,690	-	264,916	-	510,061	411,476	69,640	6,028,783
Charge for year	721,992	-	5,087	-	16,538	33,308	7,738	784,663
On disposals – units	(2,933)	-	-	-	-	-	-	(2,933)
On disposals – components	(36,326)	-	-	-	-	-	-	(36,326)
At end of year	5,455,423	-	270,003	-	526,599	444,784	77,378	6,774,187
Net Book Value								
At end of year	33,479,738	747,447	337,628	52,500	450,485	123,416	309,506	35,500,720
At start of year	*33,346,524*	*471,748*	*342,715*	*52,500*	*328,259*	*24,765*	*317,244*	*34,883,755*

Note 1: Properties with a cost of £53,134 (*2023: £30,337*) and depreciation of £2,933 (*2023: £3,379*) have been disposed of in the year with net proceeds totalling £348,407 (*2023: £74,809*), after the recognition of HAG repayable of £396,260 (*2023: £nil*). It was agreed with the Scottish Government that this could be recycled and used in the Haghill development and thus the £396,260 is included in other creditors until it is utilised.

Note 2: Additions to Housing Properties during the year includes £nil (*2023: £nil*) capitalised interest and £nil (*2023: £nil*) capitalised administration costs. The amount spent on maintenance of housing properties held for letting and shared ownership properties can been seen in Note 5.

Note 3: Investment properties are valued at market value based upon valuation reports prepared for the Group by JLL, chartered surveyors.

Note 4: Included in housing properties held for letting is land with a carrying value of £6,381,393 (*2023: £6,305,041*) and included in shared ownership properties is land with a carrying value of £83,854 (*2023: £83,854*).

13. Tangible Fixed Assets (continued)

Association	Housing Properties Held for Letting	Housing Properties under Development	Shared Ownership Properties	Investment Properties	Office and Storage Units	Furniture Fittings & Equipment	Nursery	Total
Cost	£	£	£	£	£	£	£	£
At start of year	38,119,214	471,748	607,631	52,500	838,320	428,906	386,884	40,905,203
Additions – new units/under development	484,503	292,259	-	-	-	-	-	776,762
Additions – components	458,380	-	-	-	-	-	-	458,380
Additions -other fixed assets					138,764	131,959		270,723
Transfer from MCE	-	-	-	-	-	7,335	-	7,335
Disposals – units	(36,574)	(16,560)	-	-	-	-	-	(53,134)
Disposals – components	(90,362)	-	-	-	-	-	-	(90,362)
At end of year	38,935,161	747,447	607,631	52,500	977,084	568,200	386,884	42,274,907
Depreciation								
At start of year	4,772,690	-	264,916	-	510,061	404,411	69,640	6,021,718
Charge for year	721,992	-	5,087	-	16,538	33,038	7,738	784,393
Transfer from MCE	-	-	-	-	-	7,335	-	7,335
On disposals – units	(2,933)	-	-	-	-	-	-	(2,933)
On disposals – components	(36,326)	-	-	-	-	-	-	(36,326)
At end of year	5,455,423	-	270,003	-	526,599	444,784	77,378	6,774,187
Net Book Value								
At end of year	33,479,738	747,447	337,628	52,500	450,485	123,416	309,506	35,500,720
At start of year	*33,346,524*	*471,748*	*342,715*	*52,500*	*328,259*	*24,495*	*317,244*	*34,883,485*

Note 1: Properties with a cost of £53,134 (*2023: £30,337*) and depreciation of £2,933 (*2023: £3,379*) have been disposed of in the year with net proceeds totalling £348,407 (*2023: £74,809*), after the recognition of HAG repayable of £396,260 (*2023: £nil*). It was agreed with the Scottish Government that this could be recycled and used in the Haghill development and thus the £396,260 is included in other creditors until it is utilised.

Note 2: Additions to Housing Properties during the year includes £nil (*2023: £nil*) capitalised interest and £nil (*2023: £nil*) capitalised administration costs. The amount spent on maintenance of housing properties held for letting and shared ownership properties can been seen in Note 5.

Note 3: Investment properties are valued at market value based upon valuation reports prepared for the Group by JLL, chartered surveyors.

Note 4: Included in housing properties held for letting is land with a carrying value of £6,381,393 (*2023: £6,305,041*) and included in shared ownership properties is land with a carrying value of £83,854 (*2023: £83,854*).

14. Housing Stock – Group and Association

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

	Units in management 2024 Improved	*Units in management 2023 Improved*
General needs	**1,676**	*1,674*
Supported – Walpole (self-contained units)	**-**	*7*
Shared ownership	**7**	*7*
	1,683	*1,688*

The Association stopped providing the supported units at Walpole in 2022/23 with the building sold in 2023/24. In addition to the above, there were supported units at Circus Drive that were leased from Loretto Housing Association Limited. This lease was ended in 2022/23.

15. Investments in subsidiaries

Association	**2024** £	*2023* £
Investment in subsidiary undertakings	**2**	*2*

Milnbank Housing Association Limited owns 1 ordinary £1 share in Milnbank Community Enterprises Limited. This represents a 100% shareholding in Milnbank Community Enterprises Limited, a company registered in Scotland, whose principal activity is community development. The loss on ordinary activities after taxation for the year ended 31 March 2024 was £42,789 (*2023: profit of £655*). The capital and reserves of Milnbank Community Enterprises Limited as at 31 March 2024 was £1 (*2023: £1,242*).

Milnbank Housing Association Limited owns 1 ordinary £1 share in Milnbank Property Services Limited. This represents a 100% shareholding in Milnbank Property Services Limited, a company registered in Scotland, whose principal activity is the provision of factoring services including the provision of repair and maintenance services. The profit on ordinary activities after taxation for the year ended 31 March 2024 was £5,090 (*2023: £10,469*). The capital and reserves of Milnbank Property Services Limited as at 31 March 2024 was £5,161 (*2023: £10,540*).

16. Stock

Group	**2024** £	*2023* £
Bar Stock	**-**	*2,088*

17. Debtors

Group	2024	2023
	£	£
Amounts falling due within one year:		
Rental arrears	372,877	382,386
Less: provision for bad debts	(218,665)	(311,665)
	154,212	70,721
Trade debtors	33,485	28,087
Other debtors	530,795	229,323
Prepayments and accrued income	351,166	395,347
	1,069,658	723,478

Association	2024	2023
	£	£
Amounts falling due within one year:		
Rental arrears	372,877	382,386
Less: provision for bad debts	(218,665)	(311,665)
	154,212	70,721
Amounts owed by subsidiaries	343,307	548,393
Prepayments and accrued income	63,883	83,899
Other debtors	530,795	229,206
	1,092,197	932,219

18a. Cash and cash equivalents

Group	2024	2023
	£	£
Cash -Balances held in current accounts	1,684,985	3,570,183
Cash equivalents	517,108	-
	2,202,093	3,570,183

Association	2024	2023
	£	£
Cash - Balances held in current accounts	1,532,549	3,246,421
Cash equivalents	517,108	-
	2,049,657	3,246,421

18b. Investments

Group and Association	2024	2023
	£	£
Balances held in deposit accounts >3 months maturity	4,300,000	2,500,000

19. Creditors: amounts falling due within one year

Group	2024 £	2023 £
Bank loans and bond	**350,924**	*340,924*
Trade creditors	**586,399**	*522,829*
Other creditors	**1,666,427**	*1,316,571*
Accruals and deferred income	**257,009**	*179,644*
Rent prepaid	**316,066**	*230,622*
Other taxes and social security	**122,169**	*102,999*
Deferred Government capital grant (Note 21)	**70,477**	*60,909*
	3,369,471	*2,754,498*
Secured creditors	**350,924**	*340,924*

At the year-end pension contributions of £nil (*2023: £nil*) were outstanding and included within other creditors.

Association	2024 £	2023 £
Bank loans and bond	**350,924**	*340,924*
Trade creditors	**563,494**	*512,006*
Other creditors	**1,666,427**	*1,270,772*
Accruals and deferred income	**200,538**	*131,661*
Rent prepaid	**270,707**	*230,622*
Other taxes and social security	**122,169**	*102,522*
Deferred Government capital grant (Note 21)	**70,477**	*60,909*
	3,244,736	*2,649,416*
Secured creditors	**350,924**	*340,924*

At the year-end pension contributions of £nil (*2023: £nil*) were outstanding and included within other creditors.

20. Creditors: amounts falling due out with one year – Group and Association

	2024 £	2023 £
Bank loans and bond	**20,440,711**	*20,798,417*
Deferred Government capital grant (Note 21)	**3,630,399**	*2,867,068*
SHAPS past service pension deficit liability in respect of the Growth Plan	**6,826**	*6,826*
	24,077,936	*23,672,311*
Secured creditors	**20,440,711**	*20,798,417*

20. Creditors: amounts falling due out with one year (continued)

Loans are secured by specific charges on the Association's properties. The net book value of housing properties secured at the year-end was £22.1m *(2023: £22.4m)*. The loan outstanding to Nationwide Building Society is repayable at a rate of interest of 3.59% in instalments and is due to be repaid by 1 June 2042. The effective interest rate on the GBSH Bond Facility is % (Coupon Rate 3.898%) with the principal to be paid in February 2038. Included in the bank loans and bonds total is £1.38m of a bond premium which will be amortised over the life of the bond.

The loans and bonds are due in instalments as follows: -

	2024 £	*2023* *£*
Due between one and two years	**352,424**	*342,424*
Due between two and five years	**1,062,521**	*1,032,521*
Due in five years or more	**19,025,766**	*19,423,472*
	20,440,711	*20,798,417*

21. Deferred Government capital grants – Group and Association

	2024 £	*2023* *£*
Housing grants		
At 1 April	**2,927,977**	*2,541,273*
Grants received in year	**843,376**	*447,613*
Released to income in year	**(70,477)**	*(60,909)*
At 31 March	**3,700,876**	*2,927,977*

The ageing on deferred capital grants is as follows:

Due in less than one year	**70,477**	*60,909*
Due in one to two years	**70,477**	*60,909*
Due between two and five years	**211,432**	*182,726*
Due in five years or more	**3,348,490**	*2,623,433*
	3,700,876	*2,927,977*

22. Pensions – Group and Association

Scottish Housing Association Pension Scheme (SHAPS)

Milnbank Housing Association Limited (the "Association") participates in the Scottish Housing Associations' Pension Scheme, (the "Scheme"). The scheme is a multi-employer defined benefit scheme which provides benefits to some 150 non-associated employers. The scheme is funded.

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

The Scheme offers six benefit structures to employers, namely: Final salary with a 1/60th accrual rate; Career average revalued earnings with a 1/60th accrual rate; a 1/70th accrual rate; a 1/80th accrual rate; 1/120th accrual rate, contracted in; and a Defined Contribution (DC) option.

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

22. Pensions – Group and Association (continued)

All staff, who are members of the pension scheme, are now in the DC scheme effective 1 September 2024. The contributions are on a 2:1 (ER:EE) basis, with a minimum of 3% for employees and a maximum of 10% for the employer. The Association had 4 members of staff in the DB scheme but exited the scheme on 31 August 2023 with these staff members transferring to the DC scheme. This Defined Contribution Scheme is used for Auto Enrolment. In the year, employees were auto enrolled and stayed in the Defined Contribution Scheme.

During the year, Milnbank Housing Association Limited paid contributions in respect of the Final 1/60th Scheme at the rate of 17.65 % of pensionable salaries. Member contributions were 15.15%. Employer contributions to the Defined Contribution Scheme are set at 4% and employees contributed 5% of their salaries.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due. The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market values. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

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

The latest triennial valuation of the Scheme was performed as at 30 September 2023 by a professionally qualified actuary using the technical provisions basis. The market value of the Scheme's assets at the valuation date was £1,173 million. The valuation revealed a shortfall of assets compared to liabilities of £27 million, equivalent to a past service funding level of 98%.

22. **Pensions – Group and Association (continued)**

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

	31 March 2024 £'000	*31 March 2023 £'000*
Fair value of plan assets	**4,021**	*4,352*
Present value of defined benefit obligation	**(4,607)**	*(4,613)*
Defined benefit liability to be recognised	**(586)**	*(261)*

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2024 £'000	*Year ended 31 March 2023 £'000*
Defined benefit obligation at start of period	**(4,613)**	*(6,862)*
Current service cost	**(12)**	*(57)*
Expenses	**(6)**	*(6)*
Interest expense	**(218)**	*(188)*
Member contributions	**(14)**	*(50)*
Actuarial gain/(loss) due to scheme experience	**(108)**	*336*
Actuarial gain/(loss) due to changes in demographic assumptions	**27**	*101*
Actuarial gain due to changes in financial assumptions	**(1)**	*1,766*
Benefits paid and expenses	**338**	*347*
Defined benefit liability at the end of the period	**4,607**	*(4,613)*

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

	Year ended 31 March 2024 £'000	*Year ended 31 March 2023 £'000*
Fair value of plan assets at start of the period	**4,352**	*6,730*
Interest income	**206**	*186*
Experience on plan assets (excluding amounts included in interest income) – (loss)/gain	**(235)**	*(2,422)*
Employer contributions	**22**	*155*
Member contributions	**14**	*50*
Benefits paid and expenses	**(338)**	*(347)*
Fair value of plan assets at end of period	**4,021**	*4,352*

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31 March 2024 £'000	*Year ended 31 March 2023 £'000*
Current service cost	**12**	*57*
Admin expenses	**6**	*6*
Net interest expense	**12**	*2*
Defined benefit costs recognised in Statement of Comprehensive Income	**30**	*65*

22. Pensions – Group and Association (continued)

Defined benefit costs recognised in Other Comprehensive Income

	2024 £'000	*2023 £'000*
Experience on plan assets (excluding amounts included in net interest cost – (loss)/gain	(235)	*(2,422)*
Experience gains and losses arising on the plan liabilities – gain/(loss)	(108)	*336*
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	27	*101*
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	(1)	*1,766*
Total amount recognised in other comprehensive income – (loss)/gain	(317)	*(219)*

Fund allocation for employer's calculated share of assets

	31 March 2024 £'000	*31 March 2023 £'000*
Global Equity	463	*115*
Absolute Return	181	*59*
Distressed Opportunities	148	*134*
Credit Relative Value	142	*166*
Alternative Risk Premia	145	*25*
Emerging Markets Debt	70	*34*
Risk Sharing	241	*317*
Insurance-Linked Securities	25	*121*
Property	170	*181*
Infrastructure	385	*469*
Private Equity	3	-
Private Debt	162	*194*
Opportunistic Illiquid Credit	160	*192*
High Yield	1	*22*
Opportunistic Credit	-	-
Cash	104	*18*
Corporate Bond Fund	-	*6*
Liquid Credit	-	-
Long Lease Property	30	*146*
Secured Income	134	*291*
Over 15 Year Gilts	-	-
Liability Driven Investment	1,454	*1,844*
Currency Hedging	(2)	*8*
Net Current Assets	5	*10*
Total Assets	4,021	*4,352*

22. Pensions – Group and Association (continued)

The main financial assumptions used by the Scheme Actuary, TPT, in their FRS 102 calculations are as follows:

Assumptions as at	**31 March 2024 % Per annum**	*31 March 2023 % Per annum*
Discount rate	**4.89**	*4.88*
Inflation (RPI)	**3.17**	*3.20*
Inflation (CPI)	**2.77**	*2.74*
Salary growth	**3.77**	*3.74*
Allowance for commutation of pension for cash at retirement	**75% of maximum allowance**	*75% of maximum allowance*

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2024	**20.2**
Female retiring in 2024	**22.7**
Male retiring in 2044	**21.4**
Female retiring in 2044	**24.1**

Member data summary

Active members

	Number	**Total earnings (£'000s p.a.)**	**Average age (unweighted)**
Males	-	-	-
Females	4	193	55
Total	**4**	**193**	**55**

Deferred members

	Number	**Deferred pensions (£'000s p.a.)**	**Average age (unweighted)**
Males	5	13	52
Females	4	11	58
Total	**9**	**24**	**54**

Pensioners

	Number	**Pensions (£'000s p.a.)**	**Average age (unweighted)**
Males	6	62	66
Females	11	73	63
Total	**17**	**135**	**64**

The above membership date is at 30 September 2023. The active members includes current DB activities who have DB benefits (where applicable).

22. Pensions – Group and Association (continued)

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

The leaving employer's share of the buy-out debt is the proportion of the Defined Benefit Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any "orphan" liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time. The Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2023. As of this date the estimated employer debt for the Association was £1,468,296. The estimated employer debt for the Growth Scheme as at 30 September 2023 was £3,093.

Post year end, the Association has withdrawn from the growth plan and paid the employers debt.

Review of historic benefit changes

The Trustee has carried out a review comparing the benefits provided to Scheme members with the requirements of the Scheme documentation. It has received legal advice that there is sufficient uncertainty regarding the effect of some benefit changes that the Court should be asked to provide clarity; to provide the Trustee with the certainty it needs to properly administer the Scheme. Preparation for the Court case is progressing to schedule and the Court has provided an expected window for the hearing during February 2025, with the judgment currently expected in Q2 2025. Should the Court decide that the historic benefit changes need to be applied differently, then some member benefits would need to be increased, which would increase the value placed on Scheme liabilities. No allowance has been made for potential additional liabilities within the estimate provided above.

Strathclyde Pension Fund

There are 2 employees plus 1 retiree 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 main financial assumptions used by the Council's Actuary, Hymans Robertson, in their FRS 102 calculations are as follows:

Assumptions as at	**31 March 2024**	*31 March 2023*
Inflation / Pension Increase Rate	**2.80%**	*2.95%*
Salary increases	**3.50%**	*3.65%*
Discount rate	**4.80%**	*4.75%*

Mortality

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 10% weighting of 2021 data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	**Females**
Current Pensioners	19.5 years	22.5 years
Future Pensioners	19.0 years	24.2 years

22. Pensions – Group and Association (continued)

Scheme assets

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

	31 March 2024 £'000	*31 March 2023 £'000*
Fair value of plan assets	**704**	*700*
Present value of scheme liabilities	**(704)**	*(686)*
Net pension- asset/(liability)	**-**	*14*

Reconciliation of defined benefit obligation	**2024 £'000**	*2023 £'000*
Opening Defined Benefit Obligation	**686**	*1,038*
Current Service Cost	**13**	*47*
Past service cost	**-**	*-*
Interest cost	**31**	*28*
Plan participants contributions	**5**	*6*
Changes in financial assumptions	**(26)**	*(456)*
Changes in demographic assumptions	**(10)**	*(8)*
Other experience	**79**	*54*
Benefits Paid	**(74)**	*(23)*
Closing Defined Benefit Obligation	**704**	*686*

Reconciliation of fair value of employer assets	**2024 £'000**	*2023 £'000*
Opening Fair Value of Employer Assets	**1,013**	*1,032*
Plan participants contributions	**5**	*6*
Contributions by the Employer	**10**	*14*
Interest income on plan assets	**47**	*28*
Return on assets excluding amounts included in net interest	**50**	*(44)*
Other experience	**-**	*-*
Benefits Paid	**(74)**	*(23)*
Less pension asset ceiling	**(347)**	*(313)*
Closing Fair Value of Employer Assets	**(704)**	*700*

Analysis of amount recognised in Other Comprehensive Income	**2024 £000**	*2023 £000*
Return on assets excluding amounts included in net interest	**50**	*(357)*
Changes in financial assumptions	**(64)**	*410*
Actuarial (loss)/gain	**(14)**	*53*

22. Pensions – Group and Association (continued)

Sensitivity analysis	Approximate % increase to Employer Liability	Approximate monetary amount (£000's)
0.1% decrease in real discount rate	2%	13
0.1% increase in the Salary Increase Rate	4%	28
0.1% increase in the Pension Increase Rate	0%	-
1 year increase in member life expectancy	2%	13

23. Deferred taxation - Group

	2024 £
At the start of the year	(515)
Released	515
At end of year	-

A deferred taxation balance is made up as follows:

	2024 £	*2023 £*
Fixed asset timing differences	-	*(609)*
Losses carried forward	-	*94*
	-	*(515)*

24 Share capital – Group and Association

	2024 £	*2023 £*
At 1 April	760	*784*
Shares of £1 each fully paid and issued during the year	39	*23*
Shares forfeited in year	(95)	*(47)*
At 31 March	704	*760*

A share entitles the owner the right to vote at meetings. There are no rights to receive dividends attached to the shares or to the distribution of assets should the Association be wound up.

25. Reserves

Revenue reserves represent the cumulative retained surplus and deficits.

26. Revenue Commitments – Group and Association

At the year end the Group and Association were committed to making the following payments under operating leases with the total commitments split as follows:

	Property 2024 £	*Property 2023 £*
Within one year	**350**	*350*
Between one and five years	**1,750**	*1,400*
More than five years	**842**	*1,925*
	2,942	*3,675*

	Other 2024 £	*Other 2023 £*
Within one year	**177,700**	*113,905*
Between one and five years	**350,396**	*241,143*
More than five years		*-*
	528,096	*355,048*

27. Related Party Transactions

Milnbank Community Enterprises Limited
A management fee of £6,600 (*2023: £6,600*) was charged to the Association by the company for the management of the Association's shop premises.

Salary costs of £11,610 (*2023: £12,391*) were incurred and then recharged by the Association.

Milnbank Community Enterprises has entered into a Service Level Agreement with Milnbank Housing Association. £9,900 (*2023: £10,400*) was paid to Milnbank Housing Association Limited as a result of this Service Level Agreement.

The balance owed to Milnbank Housing Association Limited by Milnbank Community Enterprises Limited at 31 March 2024 was £nil (*2023: £46,557*) and is included in debtors.

A distribution in the form of gift aid of £nil (*2023: £7,878*) was paid by Milnbank Community Enterprises Limited to Milnbank Housing Association Limited during the year.

There is a proposal to make a distribution in the form of a gift aid payment of £nil (*2023: £655*) next year to Milnbank Housing Association Limited.

Prior to the year end, the trade and net liabilities of Milnbank Community Enterprises Limited were transferred to Milnbank Housing Association Limited with £41,548 of a charge being recognised in the Statement of Comprehensive Income. Milnbank Community Enterprises Limited will now be wound up and struck off in 2024/25.

27. Related Party Transactions (continued)

Milnbank Property Services Limited
Milnbank Housing Association Limited provide support and services to Milnbank Property Services Limited. A formal service level agreement is in place. The charge for the year was £306,900 (*2023: £287,040*).

During the year, expenditure of £271,189 (*2023: £297,471*) was incurred by Milnbank Housing Association Limited on behalf of Milnbank Property Services Limited in respect of works performed to factored properties. These costs were recharged to Milnbank Property Services Limited during the year.

The balance owed to Milnbank Housing Association Limited by Milnbank Property Services Limited at 31 March 2024 was £343,307 (*2023: £501,836*). This is included within amounts owed by subsidiaries in debtors.

A distribution in the form of gift aid of £10,469 (*2023: £12,851*) was paid by Milnbank Property Services Limited to Milnbank Housing Association Limited in respect of the year 31 March 2024.

A distribution in the form of gift aid of £8,331 *(2023: £10,468)* will be made to Milnbank Housing Association Limited in 2024/25.

Management Committee members
The Association has Management Committee members who are also tenants. The total rent received in the year relating to tenant Management Committee members is £38,688 (*2023: £28,565*). There are technical arrears of £20 (*2023: £282*) included within debtors at the year end.

Some members of the Management Committee receive factored services from Milnbank Property Services Limited. At the year-end included in debtors was £3,737 (*2023: £3,730*).

28. Legislative Provisions

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

29. Net Cash Flow from Operating Activities

Group

	2024 £	2023 £
Surplus(deficit) for the year	**364,940**	*(1,505,546)*
Interest payable	**796,181**	*782,344*
Interest received	**(147,963)**	*(31,478)*
Depreciation on tangible fixed assets (including loss on disposed components)	**838,699**	*788,128*
SPF – non-cash movement	**-**	*33,000*
SHAPS deficit movement	**(4,000)**	*(6,380)*
Decrease in stock	**2,088**	*-*
Decrease/(increase) in debtors	**(346,180)**	*5,059*
Increase in creditors	**213,965**	*104,768*
Release of deferred grant	**(70,477)**	*(60,909)*
Shares forfeited	**(95)**	*(47)*
Gain on sale of property, plant and equipment	**(298,206)**	*(47,851)*
	1,348,952	*61,088*

Association

	2024 £	2023 £
Surplus/(deficit) for the year	**371,560**	*(1,495,941)*
Interest payable	**796,181**	*782,344*
Interest received	**(147,963)**	*(31,478)*
Depreciation on tangible fixed assets (including loss on disposed components)	**838,429**	*786,660*
SPF – non-cash movement	**-**	*33,000*
SHAPS deficit movement	**(4,000)**	*(6,380)*
(Increase) in debtors	**(159,978)**	*(179,977)*
Increase in creditors	**194,827**	*113,527*
Release of deferred grant	**(70,477)**	*(60,909)*
Shares forfeited	**(95)**	*(47)*
Gain on sale of property, plant and equipment	**(298,206)**	*(47,851)*
	1,520,278	*(107,052)*

30. Capital Commitments

Group and Association	2024 £	2023 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**-**	*-*
Capital expenditure that has been approved by the Management Committee but has not been contracted for	**-**	*-*

31. Lessor Income – Group and Association

The Association has an operating lease in respect of the lease of the nursery to a third party. The lease is for 15 years. There is a lease break on 8 January 2029. The minimum expected income under the lease to this lease break is:

	2024 £	*2023* *£*
Within one year	**50,250**	-
Between one and five years	**201,417**	-
More than five years	**-**	-
	251,667	-