

11 September 2023

Dear Member

Notice is hereby given that there will be an Annual General Meeting of Wellhouse Housing Association Limited to be held in the Hub Café on Wednesday 27th September 2023 at 6pm to consider the agenda set out below. A Proxy Form is enclosed should this be appropriate.

Yours sincerely,



Martin Wilkie-McFarlane
SECRETARY

Agenda

1. Apologies
2. Chairperson's Welcome (Verbal)
3. Chairs Report (Verbal) - (Summary of Operational updates from the Management Team and Community Activity at the Hub included within the members pack)
4. Minutes 2022 AGM, for approval
5. Annual Accounts and Auditor's Report, for approval
6. Re-appointment of Auditors
7. Election of Management Committee



Welcome to your 2023 Annual General Meeting

Wellhouse: *the Place to Be*



wellhouse
Housing Association

CHAIRS REPORT: Regulatory Engagement 22/23

Wellhouse HA is fully compliant with the regulatory standards of governance and finance with the Scottish Housing Regulator.



CHAIRS REPORT: Governance

Your elected committee in 2022/23

- **Held 12 committee meetings in the year and our AGM - which were held in person and remotely;**
- **Scheduled 21 days of internal audit days in 2022/23 conducted by Wylie Bisset, reviewing the following subjects – Homemaster, Maintenance, Gas and Fire Safety, Assurance, Cyber Security, Audit Management and a follow up review.**
- **Conducted an 8th consecutive year of committee appraisals and are acting upon continuous improvement and our approved succession planning policy;**

CHAIRS REPORT: Governance continued

- **Reaffirmed our approach to equalities & diversity, extending it to embrace human rights and promoted this to tenants, applicants, staff and stakeholders. We are working with the regulator and membership bodies to ensure we get this right;**
- **Submitted our returns timeously and accurately to the SHR, OSCR and the FCA;**
- **Continued networking with our colleagues in EHRA which included campaigning and lobbying, service improvement and benchmarking performance, social welfare projects and initiatives, employment and training for local people.**
- **Worked with the city council and Scottish Water to explore future development options; and**
- **Worked with elected members to aim to resolve issues around refuse, bulk and recycling.**

Wellhouse Housing Association Executive Management

- **Focused on Value for Money –cutting the costs in a number of areas of the business and continuing to keep this as a focus;**
- **Retained a number of charter marks from the Chartered Institute of Housing and other bodies and were reaccredited as an Investors In People, Silver accredited employer.**
- **Made significant progress, in partnership with Glasgow City Council and Scottish Water, with our plans in relation to flood mitigation and environmental work in order to prepare for development work, alongside our development agent (Link Housing);**
- **Set up 2 design teams to work on our development ambitions;**
- **Focused on operations and core business;**
- **Completed a further programme of policy reviews;**
- **Published all committee minutes and reports;**

CHAIRS REPORT

In addition, as an organisation we have:

- **Reported on our performance to tenants;**
- **Produced a plan for common areas, bin shelters and back courts;**
- **Supported community activities and new service providers for the Hub café and community activities along with Easthall Residents Association;**
- **Worked with Glasgow City Council on matters such as refuse collection; fly tipping; litter and dog fouling.**

ANNUAL GENERAL MEETING 2023

looking ahead, we will:

- **Implement our updated asset management and sustainability plans**
- **Update the Site Investigations for the St John Ogilvie Site & Balado Road Primary Schools site and open negotiations accordingly;**
- **Invest in back court and bin area upgrades;**
- **Consult widely with tenants;**
- **Carry out a further rent affordability exercise;**
- **Explore options around estate management and bulk refuse with EHRA colleagues;**
- **Submit our development plans to funders and open dialogue with the landowners; and**
- **Invest in the Hub in relation to maintenance work required.**

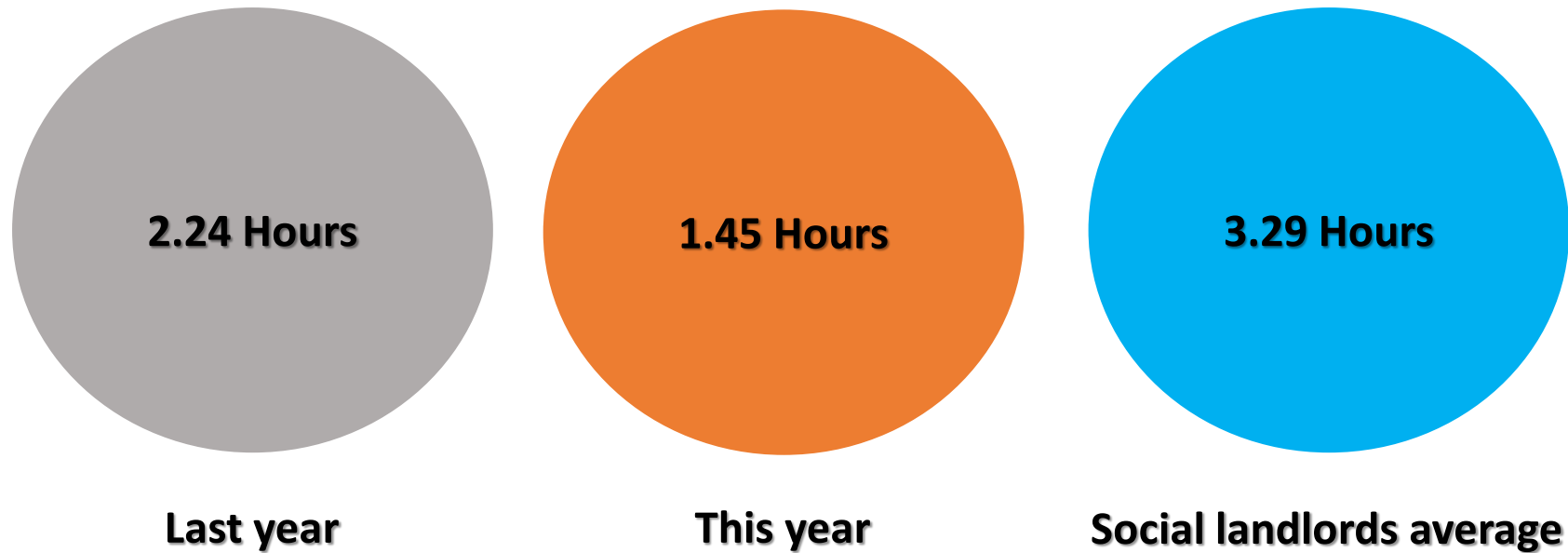
Wellhouse: the Place to Be



ANNUAL REVIEW 2023....

REPAIRS & MAINTENANCE

Average hours taken to complete emergency repairs



REPAIRS & MAINTENANCE

Average time taken to complete non-emergency repairs



We carried out 1532 reactive repairs

REPAIRS & MAINTENANCE

We got
99.68% of
repairs right
first time

96.34% of our
stock meet
SHQS

Our repairs
satisfaction
level was
86.62% satisfied

99.24% of
properties
meet EESSH
requirements

147
electrical
tests carried
out

Cyclical gutter
cleaning
program
completed

We carried
out 100% of
gas services
on time



We will continue to work internally and with our partners to improve our area

IMPROVEMENTS TO YOUR HOMES

We fitted 56 kitchens in properties



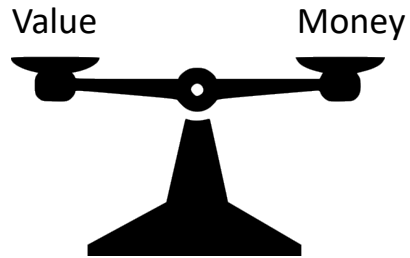
We fitted 39 bathrooms in properties

We fitted 23 boilers in properties



**We received £64,203 in funding
to complete 28 adaptations**

IMPROVEMENTS TO YOUR HOMES

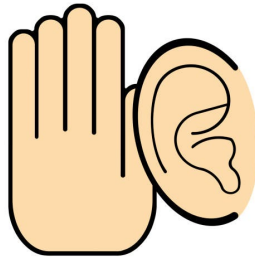


78.55% of tenants feel their rent represents value for money

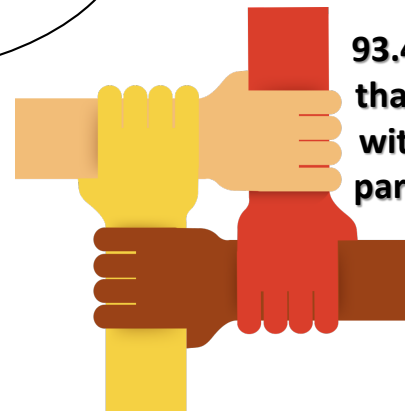
85.12% of tenants satisfied with our overall service



87.50% of Owners satisfied with factoring service



93.77% of tenants feel that we are good at keeping you informed about services and decisions



93.43% of tenants feel that they are satisfied with opportunities to participate in decision making

OUR RELATIONSHIP WITH OUR TENANTS & OWNERS

COMPLAINTS



We received
2.15
customer
complaints
per 100
homes

Our average response time to 1st
stage complaints was 4.55 days
and 16.67 days to respond to
stage 2 complaints



We had 1
tenant
evicted for
anti-social
behaviour



We had 4.92 anti-social cases
raised per 100 homes

Our rent increase was 3%

Social landlord average rent increase was 5.45%
EHRA group average rent increase was 5.33%



We collected 98.33% of rent due

9.06% of gross arrears due of rent



**We had 1
tenant
evicted for
rent arrears**

*RENTS & OUR
PERFORMANCE*

ALLOCATIONS, HOUSING & VOIDS



We let 58 homes in the year 22/23

We had an offer refusal rate of 28.57% – the Scottish average was 32.05%

- **We took an average of 54.95 days to let a home**
- **We lost 1.07% of rent due to through empty homes**



Our allocations breakdown was:

- **22.41% to internal tenants**
- **13.79% to homeless applications**
- **63.79% to waiting list applications**

We had a tenancy sustainment rate of 85.42%

We had 1.77% of properties abandoned

FINANCE

Highlights from 2022/23 Accounts



- Turnover - £4.13 million
- Operating Costs - £3.35 million
- Surplus for Year - £347k

- Housing Properties - £26.65 million
- Cash - £3.1 million
- Housing Loans - £7.4 million



- Revenue Reserves - £8.1 million
- Loan Financial Covenants Compliant



Value for Money (VFM)

- ✓ Value for Money policy approved by committee but at request of Scottish Housing Network group not published on website
- ✓ Continuing commitment to saving money through lower costs and efficiency savings
- ✓ Procurement policy requires competitive tendering for new contracts
- ✓ Working with EHRA partners to facilitate joint procurement for projects such as maintenance and property improvement projects



FINANCE



General Data Protection Regulation (GDPR)

- Personal data will only be retained if required
- Records will be disposed of in accordance with safe and secure disposal methods
- Regular data cleansing will be carried out by each department
- Data will be retained in a safe and controlled environment

Freedom of Information (FOI)

- Covered under FOI since 11 November 2019 (no changes in 2022/23)
- Model scheme adopted and Scottish Information Commissioners guidance continues to be followed
- Wellhouse website reflects guidance on Open all Hours framework
- Quarterly statistical reporting continue to be made to Scottish Information Commissioner



How will we spend the rent receipts during 2023/24?

During the year to 31 March 2024, we have budgeted to continue to invest in maintaining and upgrading your home. As can be noted on the pie chart below over 45.86% of the planned expenditure during the year will be in repairing and upgrading the homes.



• Planned & cyclical Maintenance	14.64%
• Major repairs & upgrades	12.03%
• Reactive Maintenance	19.19%
• Total spend on properties	45.86%

The remaining 54% of expenditure is proposed to be spent on.....

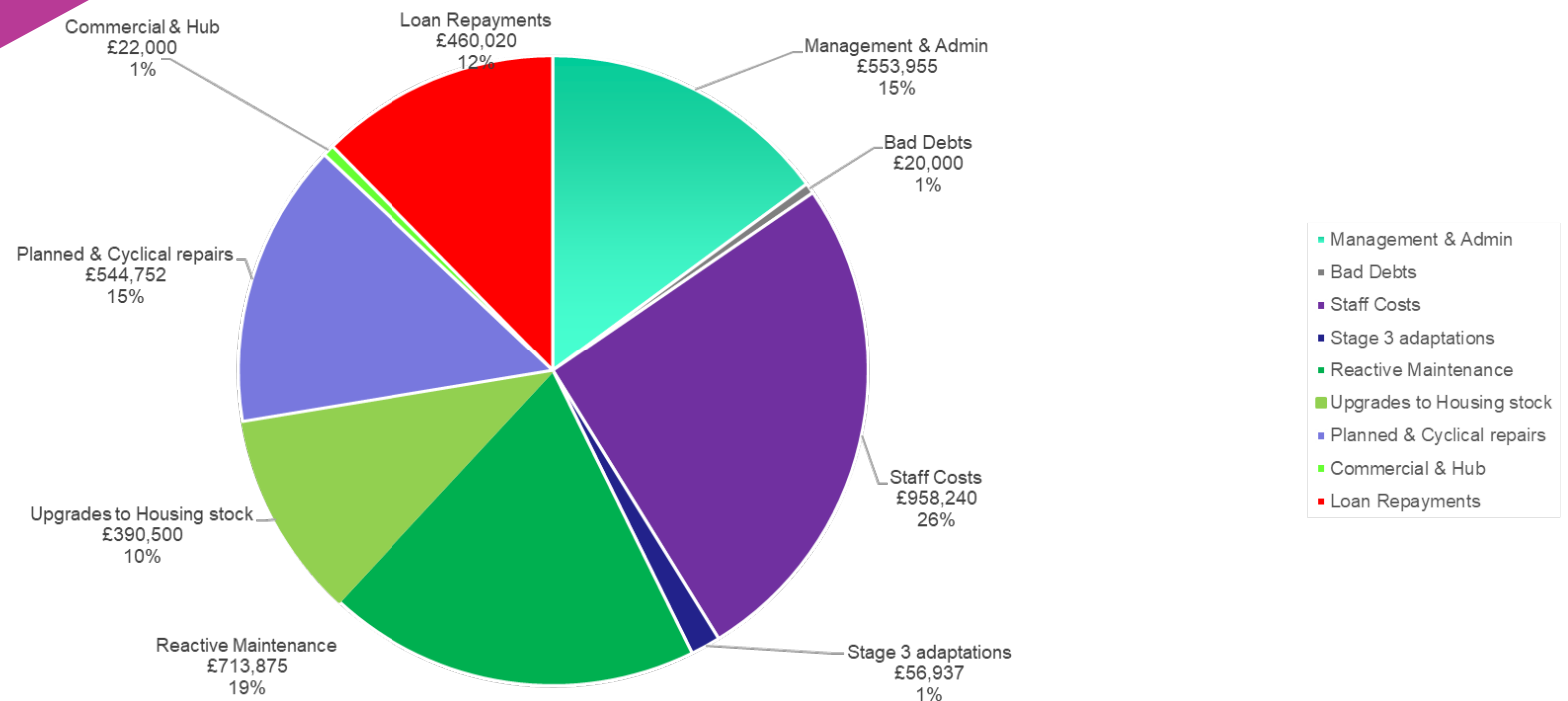
• Loan repayments	12.37%
• Management & Admin fees	14.89%
• Staff Costs	25.76%
• Other costs	1.12%

The total proposed expenditure for the organisation is £3,720,279 and demonstrates that as an organisation we are spending the budgeted rental income of £3,626,166 (social housing rents and commercial rents) and some of the reserves to ensure that the properties are maintained to a standard above the legal standards of registered social landlords.

FINANCE



Budgeted Expenditure 2023-24



Maintenance 2023/24

- **Delivery of planned maintenance investment including Kitchen, Bathroom and Boiler upgrades**
- **Cyclical Works including Gutter Cleaning, Gas Servicing, ECIRs , Common Water Tank Inspections**
- **Procurement of several contracts including DTD Repairs, Out of Hours Adaptations & Planned Replacements to start 24-25**
- **The continued knock-on effect of covid is that some existing programmes are still out of sync as well as the effect of increasing costs for both labour and materials has on budgets.**

WHATS PLANNED FOR THE YEAR AHEAD?

Housing Management 2023/24

- Continue to focus on reducing rent arrears
- Support our tenants through cost-of-living issues
- Work internally and with partners to improve our neighbourhood
- Engage with our residents and help us shape our services for the benefit of all

WHATS PLANNED FOR THE YEAR AHEAD?

Finance 2023/24

- Consolidate and review value for money function including use of Scottish Government procurement frameworks
- Continue to input on updates of FOI legislation updates
- work with Finance & Housing management system provider and staff for enhancements as required

WHATS PLANNED FOR THE YEAR AHEAD?

DO YOU WANT TO GET INVOLVED?

Want your voice heard?

Your opinion matters to us.



For more information contact us at the office

**The Hub
49 Wellhouse Crescent,
Glasgow
G33 4LA**

**Opening Hours:
Monday – Thursday - 9am to 5pm
Friday - 9am to 4:30pm**

**Tel: 0141 781 1884 (office hours)
wellhouseha.org.uk**

*OUR VISION –
WELLHOUSE:
THE PLACE TO BE*

people agree Wellhouse is an attractive place

people feel happy and safe here

people benefit from having a good home and an attractive environment

people feel proud to be part of a vibrant community

OUR VALUES

Trust

Honesty

Integrity

Excellence

Accountability

Sustainability

Deliver excellent services

Provide good quality homes

Anticipate, understand and respond to local need

Foster an attractive, successful and thriving community

Maintain good governance and financial management

Value and invest in our people.

OUR STRATEGIC OBJECTIVES

Wellhouse became Housing Association in 1994 and has the following registrations:

- Scottish Charity – SC036552
- Scottish Housing Regulator – HAC281
- Co-op & Community Benefits Societies – 2469R (S)
- Property Factors – PF000109
- Financial Conduct Authority – 2469R (S)
- Office of the Information Commissioner – 277205348

Registered office: The Hub, 49 Wellhouse Crescent, Easterhouse, Glasgow, G33 4LA.



Thank you



**MAKE
A
STAND**

Our homes, our people,
our problem.

We've signed the
Make a **Stand** pledge to
support people experiencing
domestic abuse, have you?

#makeastand
cih.org/makeastand

women's aid
and women & children are safe

 Chartered
Institute of
Housing





Briefing on Community Activity at The Hub for AGM 27/9/2023

Community Café

The community café is continuing to build from strength to strength. Designed to provide quality food at an affordable cost and more importantly a space for members of the community to come have a chat and meet other people, this has been to date a success.

It is a little over a year since the decision to take the café on as an in-house project and we are now seeing the benefits of doing so. With a steady stream of customers daily, between 20-30 on average each day it appears to be proving popular. We have further plans in the coming year to develop opportunities within the café and look forward with anticipation in seeing these come to fruition.



One of our successes within the café has seen us being able to create an employment opportunity for Stephanie, this has ensured we have a friendly local face every day. Stephanie first started on a temporary six-month basis, through her hard work and great customer service Stephanie has become a mainstay within the café for almost a full year

Children and Young People's Activities

Our children and young people's activities have been very much welcomed. In total we have had 37 individual children and young people register for our activities.

Over the past year we have been delivering our 'Outta' School Club on Monday, Wednesday, and Fridays between 3.30pm and 5.30pm. As part of this club, we provide all children with snack and refreshments, and this is all delivered completely FREE. Our Wednesday and Friday groups were the best attended with on average a regular 15-20 children attending each day per week.

As the schools returned last month, we had taken account of trends within days of attendance, and we have taken the steps to continue to deliver this on Wednesday and Fridays over the coming term.

Don't panic though, as it may appear we have reduced one of the days we have added an extra nighttime child and young person's Youth Club, once again after consideration and evaluating attendances and listening to our children and young people.

So, like the 'Outta' School Club we had operated a Tuesday evening Youth Club between 6pm and 9pm. This has gradually built up over the year and we have an ever-growing group of attendees. Attendees take part in a varied activity schedule including cooking, baking and other life skills, with multi-sports and team games often being delivered also. Recently we have had our internet provided and we have added some Digital fun and games consoles to our activity schedule. Similar to our café we are looking this year to build further on the successes and make some changes to the upstairs community space introducing great fun and new activities.

As I mentioned a little earlier, we have added a second night, this being a Thursday between 6pm and 9pm. This started the last week in August and with 13 attendees on our first night is already proving popular but with real scope to grow further.



Community Bingo

Tricia and Eddie continue to deliver Bingo on a Wednesday night and over the past few months they have seen their numbers rise from just over 20 each week to most weeks now having around 30 attendees. It is great to see new members coming along and joining.

We were delighted to support the Bingo at Easter by keeping up with the past traditions of supplying all the attendees with a little Easter treat by way of an Easter egg. At Christmas we supported the group by providing a three course Christmas meal with a pack of Shortbread and some chocolates for the group to indulge in. This is something we fully intend to do again this year.

It has been great to see the popularity of the Bingo grow, and such has been the success of this Trisha and Eddie had approached us about adding a second evening, originally the hope was to do this at the weekend however after some consultation we opted for a Friday evening. This started the last week in August and numbers have been encouraging to begin with. We would like to place on record our appreciation for Trisha and Eddie for all their efforts in delivering the bingo.



Christmas Fayre

On Saturday 10th December we put on The Hub at Christmas event. We planned a FREE Santa's Grotto inside with Craft and Gift Stalls providing an opportunity for small local businesses to showcase themselves. We also put on a raffle with over 20 prizes including a 42" TV, £250 Cash Prize and £100 Cash Prize.

To make everything extra festive and completely unplanned we even had a dusting of snow on the day. Despite this the weather didn't dampen the spirits and across the day we estimated around 600 individuals attended. This is very encouraging as with this being the first Xmas event we have planned at The Hub we are already planning this years programme of Xmas activity and are looking to build on the success of this event.



Rags to Riches project

To coincide with the installation of the clothing bank situated outside The Hub we partnered with The Lintel Trust to raise awareness of upcycling garments and re-purposing them giving what would originally been considered surplus to requirements a new lease of life.

This project consisted of 3 sessions working with 12 individuals in each session, learning new skills such as how to use a sewing machine. Each week the group created an item out of an old item of clothing, the groups made items such as cushion covers, purses, handbag and a pin cushion.

One other success from this has been the connection between us and the seamstress, Gail who delivered the sessions as we intend later on this year to have her come in and deliver further sessions to other groups within The Hub.

Other Community Engagement

Over the past year we have worked with various partners to deliver a varied schedule of activities aimed at building engagement, growing usage and groups and alleviating impacts from the 'Cost of Living' which we are all feeling at present.

I have listed some of the activity we delivered over the year:

FREE Pop Up Pantries – We delivered these in partnership with The Halliday Foundation and supported them to access funds from Baillieston Area Partnership and both Wellhouse Housing Association and Easthall Park Housing Co-operative so they could deliver these for almost 6 month period (September to March), the pantries proved popular with over 30 attendees accessing each week.

Thursday Mornings – Between November and June we delivered a varied range of activities in partnership with Aultmore Park Primary School and Gerri from Barnardo's. We worked with between 8 and 12 attendees each week and delivered sessions in:

- Reiki
- Meditation
- Upcycling

We have successfully secured funding to continue this project over the next 3 years and will be looking to not only grow this but deliver a wide range of activities including the aforementioned activities and adding many more to support reducing isolation and risks of loneliness and increasing mental and physical health and wellbeing.

WELLHOUSE HOUSING ASSOCIATION**DRAFT MINUTES OF THE ANNUAL GENERAL MEETING HELD ON WEDNESDAY 21 SEPTEMBER 2022 VIA ZOOM WEBINAR and IN-HOUSE at 6pm.**

Sederunt: Eddie Andrews, Darron Brown, Leeann Brown, Margaret Brown, Calum Campbell, Lesley Copeland, Michelle Harrow, Jane Heppenstall, Maureen Morris, William Mulligan, Tracey Murray, Elizabeth Murray, Gordon Kerr.

In attendance: Carol Hamilton (Housing Manager), Robert Murray (Finance Manager) Bill Black (Maintenance Manager) James McBride (External Auditor, Azets), Linda Logan (Minute secretary)

1. Apologies for absence.

Grace Andrews, Kathleen Boyce, Janet Crawford, James Gould, Deborah McKenna, Maureen McCormick, Sarah Morris, Josephine Wotherspoon, Phyllis Lafferty, Agnes Murray.

The Chair informed of housekeeping noting that no fire alarm test was planned. She advised that if the alarm sounds, members should proceed to the muster point in the car park. There were fire wardens and first aiders on site.

2. Welcome.

The notice for calling the 27th Annual General Meeting of Wellhouse Housing Association on 21 September 2022 was accepted by members' present. Maureen Morris (Chair) called the meeting to attention and welcomed members to our first face to face AGM following the unimaginable circumstances of 20/21 which prevented an in-person AGM.

She stated that members would be aware of the impact of the pandemic for our community, along with the impact of Brexit on costs and the cost of living crises. She noted significant challenges for Wellhouse during this time however was happy report to the membership on behalf of the committee, the good progress made this year.

She recorded apologies as noted above and thanked Cllrs Kevin Lalley and Alex Kerr for attending this evening AGM.

The Chair introduced Robert Murray (Finance & Corporate Services Manager), Bill Black (Assets & Maintenance Manager), Carol Hamilton (Housing & Customer Services Manager), James McBride, External Auditor (Azets)

She stated that to report to members on progress to date and for the year ahead, the Senior Management Team had included within members packs a few slides to refer to. She requested that if members had any queries to please raise them during question time.

Report on Activities.

The Chair highlighted that at the end of 20/21 Wellhouse HA were fully compliant with the regulatory standards of governance and finance with the Scottish Housing Regulator (SHR). We continue to work with the SHR in a positive and constructive manner and had submitted our assurance statement, loan portfolio, finance plan and the annual return to

the charter as well as regular Covid reports as required. She highlighted zero expenditure on regulatory engagement or directly related costs since the last AGM.

She advised that the committee had held 11 committee meeting during the year and our AGM which had all been held remotely. We had scheduled 13 days of internal audit reviewing complaints handling, overall financial controls and budget setting processes. In addition, the committee had conducted a 7th consecutive year of appraisals and are acting upon continuous improvement and our approved succession planning policy.

The Chair reaffirmed our approach to equalities and diversity, extending it to embrace human rights. We continue to work with the Regulator and our membership bodies to ensure we get this right. We continued to network with our colleagues in EHRA which had included campaigning and lobbying, service improvement and social welfare projects and initiatives and had worked with EHRA to produce a Covid response report which had been published earlier this year. A joint project had been commissioned with our peers across Glasgow to review governance and supporting documents. In addition, we had worked with the City Council and Scottish Water to explore plans in relation to flood mitigation and environmental work in order to prepare for development work and commissioned a new development agent.

3. Draft Minutes of AGM 22 September 2021.

The Chair confirmed that the Draft Minutes of the 22 September 2021 AGM had been included within members' pack. Members were asked to confirm and approve that the minutes were a true and accurate reflection of the proceedings. There were no matters arising from the minutes.

Darron Brown proposed and Leeann Brown seconded the 2021 AGM minutes as a true and accurate reflection of the proceedings.

The Chair noted that we would to the presentation of the Annual and introduced James McBride from Azets Audit Services, our external auditor.

4. Annual Accounts and Auditors Report.

James McBride, External Auditor, Azets, explained the purpose of the auditor's report was to determine that the financial statements of Wellhouse Housing Association show a true and fair view, which reflect the Association's performance during the year in terms of its assets and liabilities at the year ended 31 March 2022.

He highlighted that during their audit work they found; no actual or alleged fraud, no irregularities, no issues with regards the legality of transactions undertaken and no material weaknesses in internal controls.

The financial statements had been prepared in accordance with FRS 102 and the RSL SORP and all applicable legislation. He discussed the summary report which included the Statement of Comprehensive Income and Statement of Financial Position and the main variances between 2021 and 2022 results were as follows:

Turnover was consistent with the prior year at £4M. Expenditure had increased by £393K to £3.3M in the main due to increased reactive maintenance costs of £201K and an increase in management and maintenance admin costs of ££216K. Interest charges and finance charges were £232K of £229K was actual interest paid to the Association's lenders.

The Association generated a surplus for the year of 475K, as opposed to £870K in the prior year. Total comprehensive income was £595K as opposed to £636K in the prior year.

there is a credit of £310,000 compared with a one of charge of £189,000 in the previous year in respect of the SHAPS pension liability, which was a non-cash accounting entry. The scheme is closed to future accrual.

James took members through the Statement of Financial position. During the year, the Association invested £799K,000 in new components in housing stock, £245K of bank loans were repaid during the year and £59K, was paid the SHAPS deficit scheme. Total loans at 31 March 2022 were £7.7M. The Statement of Financial position shows a healthy net assets of £7.8M and shows that the Association remains in a strong financial position.

He highlighted the importance of the Association ensuring that it continues to generate account and cash surpluses in order to continue the investment in the Associations properties, meet the day to day expenditure and to repay its existing borrowing. The Chair asked if there were questions for James. There were none.

The Chair thanked James McBride for his presentation.

5. Re-appointment of Auditors

The Chair stated that in accordance with the Rules, at each AGM, the auditors must be re-appointed by the membership. Following a formal tender process, the Committee recommended the re-appointment of Azets Audit Services. The Chair sought a proposer to re-appoint.

Darron Brown proposed and Jane Happenstall seconded the re-appointment of Azets Audit Services.

6. Election to the Management Committee.

The Chair informed members a new committee has been elected in accordance with the Rules. Because there are fewer nominations than places on the Committee, all those seeking election have been properly elected.

She advised under Rule 38.1 of the Association's Rules, at least one third of the Committee and who have served the longest on the Committee since the date of their last election, must retire and the following members have stood down and are seeking re-election, they do not require nomination;

Maureen Morris, Jane Heppenstall and Shona McKenna

Under Rule 41.1 members were appointed as co-optee's in the course of the preceding year and as such are required to seek election at this AGM, these being.

Helen Lafferty and Gordon Kerr

They do not require a nomination.

There are up to 12 places on the Management Committee. No new Nominations for Election to the Committee have been received. We have 3 vacancies.

The Chair confirmed that the elected Committee, from tonight, had 9 members. These were:

- **Clare Monteith**
- **Maureen Morris**
- **Jane Heppenstall**
- **Michelle Harrow**
- **Darron Brown**
- **Sarah Morris**
- **Shona McKenna**
- **Godon Kerr**
- **Helen Lafferty**

The Chair stated that we would want to have more than 9 members. She advised that we were looking to 3 people to co-opt to the committee and if members were interested in serving on the committee to please let us know tonight. Staff and committee members would be delighted to take names.

The Chair concluded by advising that the business of the AGM had now concluded.

Garden competition winners:

The Chair noted that the garden competition was always a challenge to judge, but a good challenge to have as it showed that Wellhouse was full of people who had pride in the area and that their gardens showed that pride. She thanked Cllr Kevin Lalley, who had been very impressed with the standard on show, for judging the competition.

The Chair was delighted to announce and congratulated the winners of this year's garden competition.

Best overall garden – Mrs Terry Baxter

Best veranda/balcony – Malgorzata Danilczuk & Ian Kirkpartick

Best container garden – Mr & Mrs Hinzewood

All of the winners received a £30.00 Love to Shop Voucher.

Refreshments and members' free raffle:

The Chair thanked our generous sponsors MCN, Scotia Plumbing, Saltire, G.E.S and J S McColl. She asked members to note that Wellhouse Housing did not purchase any of these gifts, they were all donations from our partners mentioned beforehand.

Raffle prize winners were as follows:

Leeann Brown, William Mulligan, Darron Brown, Elizabeth Murry, Margaret Brown, Maureen Morris, Lesley Copeland, Tracey Murray and Calum Campbell.

The Chair congratulated all of our raffle winners.

The Chair invited members to enjoy the buffet provided. She thanked members for attending and supporting their housing association.

I certify that the above minute has been approved as a true and accurate reflection of the proceedings:

Signed (Chair)

Date:.....

DRAFT

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

WELLHOUSE HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVE OFFICERS AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2023

MANAGEMENT COMMITTEE

Maureen Morris	Chair
Darron Brown	Vice-Chair
Michelle Harrow	Committee Member
Jane Heppenstall	Committee Member
Gordon Kerr	Committee Member (appointed 28 April 2022)
Helen Lafferty	Committee Member (appointed 28 April 2022)
Leeann Brown	Co-optee (appointed 26 October 2022)
Anna Dukova	Casual Member (appointed 28 February 2023)
Graeme Wetherill	Committee Member (appointed 26 October 2022, resigned 24 May 2023)
Shona McKenna	Committee Member (resigned 18 January 2023)
Clare Monteith	Committee Member (resigned 21 September 2022)
Sarah Morris	Committee Member (resigned 21 September 2022)
Carol Torrie	Committee Member (resigned 13 July 2022)

EXECUTIVE OFFICERS

Martin Wilkie-McFarlane	Director & Secretary
James Wilson	Housing & Customer Services Manager (appointed 9 January 2023)
Robert Murray	Finance & Corporate Services Manager
William Black	Assets & Maintenance Manager & Interim Director (1 July 2022 – 30 September 2022)
Carol Hamilton	Housing & Customer Services Manager (retired 31 December 2022)

REGISTERED OFFICE

The Hub
49 Wellhouse Crescent
Glasgow
G33 4LA

EXTERNAL AUDITOR

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

INTERNAL AUDITOR

Wylie & Bisset
168 Bath Street
Glasgow
G2 4TP

BANKERS

Clydesdale Bank plc
49 Main Street, Baillieston,
Glasgow
G69 6SQ

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

WELLHOUSE HOUSING ASSOCIATION LIMITED

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Registration information

Financial Conduct Authority	Registered number 2469R(S)
Registered Housing Association No:	HAC281
Scottish Charity Number	SC036552

WELLHOUSE HOUSING ASSOCIATION LIMITED

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

The Management Committee presents its report (incorporating the Strategic Report) and the audited financial statements for the year ended 31 March 2023.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No 2469R(S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC036552. The Association was incorporated in Scotland.

Strategic Report

Business Profile

Wellhouse Housing Association (referred to as "Wellhouse" or "WHA") is an independent social business that operates exclusively in the Wellhouse area of Easterhouse. We are a not-for-profit organisation, meaning that we reinvest any surpluses we make for the benefit of our customers instead of distributing them to shareholders.

WHA has the following statutory registrations:

- Office of the Scottish Charity Regulator: Registered Scottish Charity
- Scottish Housing Regulator: Registered Social Landlord
- Financial Conduct Authority: Registered Community Benefit Society
- Scottish Government: Registered Property Factor

The following graphic gives an **at a glance overview** of some of the main features of our business:

WELLHOUSE HOUSING ASSOCIATION LIMITED

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

Community based housing association, registered in 1994

Governed by volunteer Management Committee

Owner and manager of all social rented homes in Wellhouse

Provider of comprehensive housing, estate and asset management services

85.12% tenant satisfaction rating with WHA's overall service (ARC 2022/23)

Easthall Residents Association is Community anchor organisation for Wellhouse

15 office-based staff and 4 estate management staff

Stable and capable workforce and governing body

WHA now owns and manages 794 homes, all located in Wellhouse

Also factor for 54 properties and owner of a small portfolio of 4 commercial properties

Average weekly rent for 3 apartment £80.85 in 22/23 (Scottish average £84.18)

Rent increase 3.0% for 22/23

3 new build projects under consideration, potential to provide circa 150 homes in the next 3 to 5 years

WHA is a significant business

Our turnover in 2022/23 was £4.17m

Our operating expenditure costs were £3.55m

20% of turnover was spent on staffing costs

Our net surplus was 10% of annual turnover in 22/23

The net book value of our housing stock was £26.7m

We had £7.4m of bank loans to be repaid in the long term (at 31 March 2023)

We had cash at bank of £3.1m at 31 March 2023

Principal Activities

The principal activity of the Association is the provision and management of affordable rented accommodation.

Our Vision

Our vision is:

Wellhouse – *the Place to Be*

This simple statement expresses our vision of Wellhouse as an attractive place where people feel happy and safe, benefit from having a good home and an attractive environment and feel proud to be part of a vibrant community.

Our Values

As a charity and a community-based housing association working to deliver social benefits, our drive our behaviours and the work that we do. Our values are:

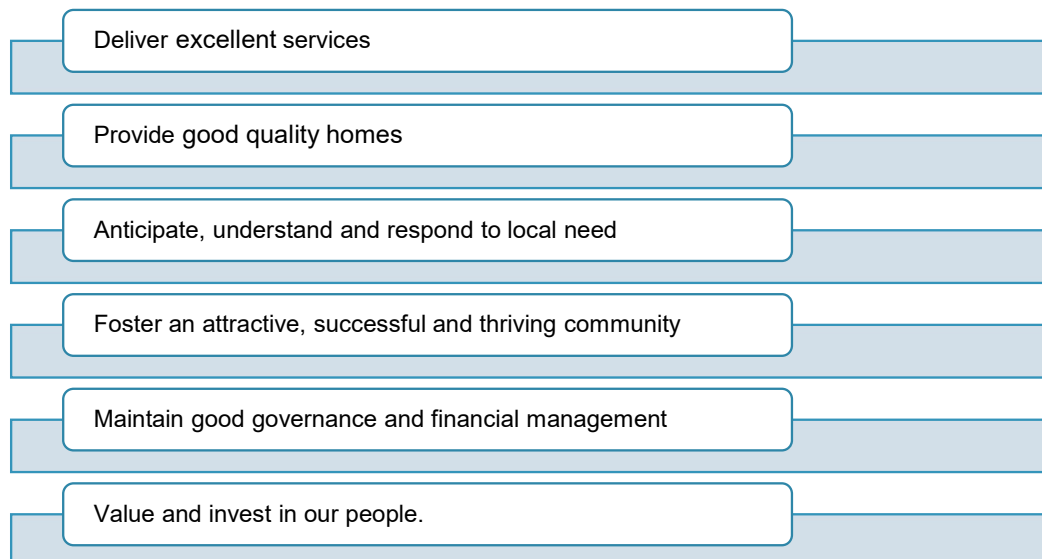


Our Strategic Objectives

Our strategic objectives are the overarching aims we have set for the next three years, in particular the impact we want to make as a housing provider, as a partner in supporting the Wellhouse community, and in the management of our organisation.

All of the activities described in the Business Plan flow from our strategic objectives, which are set out in this Chapter and then referenced throughout the Business Plan as we describe the priorities the Management Committee has set.

Wellhouse's six strategic objectives



Our Strategic Direction

Review of Business 2022/23

1. Regulatory Engagement

- We continue to work with the Scottish Housing Regulator (SHR) in a positive and constructive manner. We submitted an assurance statement in October 2022 and all other regulatory returns timeously;
- Wellhouse is **compliant** with regulatory requirements, including the standards for governance and financial management.

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

Review of Business 2022/23 (cont'd)

2. Governance

The Management Committee:

- Held 11 committee meetings in the year and our AGM;
- Scheduled 19 days of internal audit days in 2022/23 conducted by Wylie Bisset, reviewing the following subjects –New Finance & Housing management System, Maintenance, Gas Safety, Factoring and Cyber Security;
- Conducted a 8th consecutive year of committee appraisals and are acting upon continuous improvement and our approved succession planning policy;
- Reaffirmed our approach to equalities & diversity, extending it to embrace human rights and promoted this to tenants, applicants, staff and stakeholders. We are working with the regulator and membership bodies to ensure we get this right and appointed a consultant in partnership with Blairtummock HA to review our work and applied learning accordingly; and
- Submitted our returns timeously and accurately to the SHR, OSCR and the FCA.

3. Strategic Update

3.1 Wellhouse Housing Association Executive Management: -

- Switched the service to a hybrid service delivery model, allowing continuity of service delivery and a better life/ work balance for staff going forward;
- Make significant progress, in partnership with Glasgow City Council and Scottish Water, with our plans in relation to flood mitigation and environmental work in order to prepare for development work;
- Commissioned Curb6 (Link Housing Group) as our new Development Agent and established two design teams to take forward our plans for new housing;
- Updated valuations on the Balado Road and St John Ogilvie site are due by the end of Q2 23/24;
- Focused on operations and core business;
- Completed a further programme of policy reviews;
- Published all committee minutes and reports;
- Reported on our performance to tenants;
- Relet the vacant shop unit at 17-19 Newhills Rd;
- Worked with Glasgow City Council on matters such as refuse collection; fly tipping; litter and dog fouling; and
- Were recredited as a Silver Investors In People employer in Q3 of 22/23.

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

Review of Business 2022/23 (cont'd)

3.2 In 2023/24, our plans include -

- The continual improvement in community activities provided by our partner, Easthall Residents Association;
- Making an offer for both the St John Ogilvie Site & Balado Road Primary School Site and opening negotiations accordingly, subject to a full financial and risk assessment;
- Providing significant investment in back court and bin area upgrades;
- Consult widely with tenants;
- Establish a fully refreshed factoring service;
- Explore options around estate management and bulk refuse in particular;
- Work with Scottish Water to provide environmental improvements;
- Carry out a tender process for reactive repairs; and
- Establishing a full community benefit programme for all contracts and tenders and consulting with residents accordingly.

Key performance indicators as reported in 2022/23 Annual Return on the Charter

KPI Brief Description	KPI Target	2022/23 Actual (ARC)
Rent Collected as % of total rent due for year	100%	98.33%
Gross Rent Arrears as % of rent due for year (Current & Former Tenants)	8%	9.06%
% of Void Rent Loss	0.60%	1.07%
Average time to complete EME repairs	4 hours	1.45 hours
Average time to complete NON-EME repairs	6 days	2.51 days
Reactive repairs carried out completed right first time	100%	99.68%

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

Management Committee and Executive Officers

The members of the Management Committee and the Executive Officers are listed on Page 1. Each member of the Management Committee holds one fully paid share of £1 in the Association with the exception of Co-optees to the Management Committee.

The Executive Officers 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 members of the Management Committee and are also Trustees of the Charity. Members of the Management Committee are appointed by the members at the Association's Annual General Meeting.

Statement of the Management Committee's Responsibilities

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that 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 Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019.

The Management Committee is also responsible for safeguarding the assets of 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.

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

Statement on Internal Financial Control

The Management Committee acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

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

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

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Wellhouse HA's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee receives reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- the Management Committee completes an annual Assurance process and submits an Assurance Statement to the Scottish Housing Regulator and was satisfied as to the financial and governance standards of the Association; and
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2023 and until the date these financial statements have been signed. No weaknesses were found in the internal financial control which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

WELLHOUSE HOUSING ASSOCIATION LIMITED

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

Donations

During the year the Association made charitable donations of £22,000 (2022: £24,843).

Auditor

The auditor, Azets Audit Services, have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the Annual General Meeting.

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.

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

By order of the Management Committee

Maureen Morris

Chair

Dated: 30 August 2023

WELLHOUSE HOUSING ASSOCIATION LIMITED

REPORT OF THE AUDITOR TO THE MANAGEMENT COMMITTEE OF WELLHOUSE HOUSING ASSOCIATION LIMITED ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31 MARCH 2023

In addition to our audit of the Financial Statements, we have reviewed your statement on page 8 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial 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 Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for any non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 8 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial 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 Association, and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial 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

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLHOUSE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Wellhouse Housing Association Limited (the 'Association') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Changes in Capital and Reserves, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

WELLHOUSE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLHOUSE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Management Committee

As explained more fully in the Statement of the Management Committee's Responsibilities set out on page 7 the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLHOUSE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 FRC'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 Association, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Association is 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 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 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 Association, including the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLHOUSE HOUSING ASSOCIATION
LIMITED ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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 Association's legal advisors.

We assessed the susceptibility of 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.

WELLHOUSE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLHOUSE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date:

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

WELLHOUSE HOUSING ASSOCIATION LIMITED

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

	Notes	2023 £	2022 £
Turnover	4	4,132,107	3,986,547
Operating expenditure	4	(3,507,489)	(3,329,876)
Operating surplus	4	624,618	656,671
Release of negative goodwill	15	38,134	38,134
Interest receivable and other income	10	11,376	2,399
Interest and financing costs	11	(240,533)	(231,800)
Revaluation gain on investment properties	13	-	10,000
		(191,023)	(181,267)
Surplus before tax		433,595	475,404
Taxation	12	-	-
Surplus for the year		433,595	475,404
Other comprehensive income			
Actuarial (loss)/gain in respect of pension scheme	24	(87,000)	120,000
Total comprehensive income for the Year		346,595	595,404

The results for the year relate wholly to continuing activities.

The financial statements were approved by the Management Committee on 30 August 2023 and signed on their behalf by:

Maureen Morris

Chair

Darron Brown

Vice-Chair

Martin Wilkie-McFarlane

Secretary

The notes form part of these financial statements.

WELLHOUSE HOUSING ASSOCIATION LIMITED

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

	Share Capital £	Revenue Reserve £	Total Reserve £
Balance at 1 April 2022	99	7,791,601	7,791,700
Total comprehensive income for the year	-	346,595	346,595
Issue of shares	7	-	7
Cancellation of shares	(28)	-	(28)
Balance at 31 March 2023	<u>78</u>	<u>8,138,196</u>	<u>8,138,274</u>

**STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2022**

	Share Capital £	Revenue Reserve £	Total Reserve £
Balance at 1 April 2021	103	7,196,197	7,196,300
Total comprehensive income for the year	-	595,404	595,404
Cancellation of shares	(4)	-	(4)
Balance at 31 March 2022	<u>99</u>	<u>7,791,601</u>	<u>7,791,700</u>

The notes form part of these financial statements.

WELLHOUSE HOUSING ASSOCIATION LIMITED

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

	Notes	£	2023 £	£	2022 £
Tangible fixed assets					
Housing properties – depreciated cost	13(a)		26,653,696		27,174,031
Other fixed assets	13(b)		1,295,274		1,321,878
			27,948,970		28,495,909
Negative goodwill	15		(953,357)		(991,491)
			26,995,613		27,504,418
Current assets					
Debtors	16	300,552		196,033	
Cash and cash equivalents	17	3,121,185		3,126,776	
			3,421,737	3,322,809	
Creditors: amounts falling due within one year	18	(1,518,615)		(1,570,370)	
Net current assets			1,903,122		1,752,439
Total assets less current liabilities			28,898,735		29,256,857
Creditors: amounts falling due after more than one year	19		(20,709,461)		(21,465,157)
Pension defined benefit liability	24		(51,000)		-
Net assets			8,138,274		7,791,700
Capital and reserve					
Share capital	21		78		99
Revenue reserve	22		8,138,196		7,791,601
			8,138,274		7,791,700

The financial statements were approved by the Management Committee on 30 August 2023 and signed on their behalf by:

Maureen Morris

Chair

Darron Brown

Vice-Chair

Martin Wilkie-McFarlane

Secretary

The notes form part of these financial statements.

WELLHOUSE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	£	2023 £	£	2022 £
Net cash generated from operating Activities	28		1,179,843		1,525,999
Cash flow from investing activities					
Purchase of components for housing properties		(671,465)		(798,938)	
Purchase of other fixed assets		-		-	
Purchase of housing units		-		-	
Government Capital grants received		-		-	
Interest received		10,823		2,399	
Net Cash outflow from investing activities			(660,642)		(796,539)
Cash flow from Financing Activities					
Interest paid on loans		(240,533)		(228,553)	
Loan principal repayments		(248,819)		(244,771)	
Share capital issued		7		-	
SHAPs past service deficit payment (net of expenses)		(35,447)		(59,247)	
Net cash outflow from financing			(524,792)		(532,571)
Net change in cash and cash equivalents			(5,591)		196,889
Cash and cash equivalents at 1 April	17		3,126,776		2,929,887
Cash and cash equivalents at 31 March	17		3,121,185		3,126,776

(i) Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	Other non- cash changes £	At 31 March 2023 £
Cash and cash equivalents				
Cash	3,126,776	(5,591)	-	3,121,185
	3,126,776	(5,591)	-	3,121,185
Borrowings				
Debt due within one year	(241,503)	248,819	(250,497)	(243,181)
Debt due after one year	(7,428,760)	-	250,497	(7,178,263)
	(7,670,263)	248,819	-	(7,421,444)
Total	(4,543,487)	243,228	-	(4,300,259)

The notes form part of these financial statements.

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

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the Association's transactions are denominated. They comprise the financial statements of the Association drawn up for the year ended 31 March 2023. These financial statements comprise the results of the Association only.

The Association is a Co-operative and Community Benefit Society limited by shares and is incorporated in the United Kingdom. The Association is a registered social landlord in Scotland and its registered number is HAC281. The registered office address is included on the front page of the financial statements.

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's Scottish Charity number is SC036552.

2. Principal accounting policies

Basis of accounting

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

The effect of events relating to the year ended 31 March 2023, which occurred before the date of approval of the financial statements by the Management Committee have been included in the financial statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2023 and of the results for the year ended on that date.

The 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 Association's accounting policies (see note 3).

The principal accounting policies are set out below.

Going concern

The Association has generated a healthy surplus in the year under review and is forecasting to continue to generate healthy surpluses in the future. The Association has healthy cash reserves and a strong net assets position with an ongoing investment program for replacing windows, doors, bathrooms and kitchens included within the long term forecasts. The Management Committee has therefore adopted the going concern basis in preparing the financial statements. This conclusion has been arrived at after considering the current inflationary pressures to the Association's operations and financial performance.

Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from the Scottish Government, Glasgow City Council and other agencies. Also included is any management fees for the factoring of properties for private owners. Also included is any income from first tranche shared equity disposals.

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

2. Principal accounting policies (cont'd)

Apportionment of management expenses

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

Government capital grants

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

Government revenue grants

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

Non-government capital and revenue grants

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

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

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

Interest receivable

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

Interest and financing costs

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. Borrowing costs incurred during the course of construction of a housing development are capitalised.

2. Principal accounting policies (cont'd)**Valuation of housing properties**

Housing properties are stated at cost less accumulated depreciation. Housing under construction and land are not depreciated. The Association depreciates housing properties by major component on a straight-line basis over the estimated useful economic lives of each identified component. All components are categorised as housing properties within note 13(a). Impairment reviews are carried out if events or circumstances indicate that the carrying value of the housing unit is higher than the recoverable amount or depreciated replacement cost.

Component	Useful Economic Life
Bathrooms	20 years
Kitchens	15 years
Boilers	15 years
Central Heating	30 years
Electrics	30 years
Attic Insulation	25 years
Windows	35 years
Close Doors	20 years
External Doors	20 years
Guttering	25 years
Rendering	50 years
Roofs	50 years
Structure	50 years

Depreciation and impairment of other fixed assets

Other fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected economic useful lives of the assets at the following annual rates:

Office Premises	2% - 3 1/3%
Office Furniture and Equipment	20%
Motor Vehicles	25%

The carrying value of tangible fixed assets is reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Capitalisation de-minimus

There is a de-minimus limit in place of £1,000 in respect of the capitalisation of other fixed assets.

Works to existing properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property, a reduction in future maintenance costs or a significant extension of the life of the property. When a component is replaced the existing component is disposed, and the new component is capitalised.

Capitalisation of development overheads

Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

2. Principal accounting policies (cont'd)

Development interest

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

Commercial properties

The commercial properties are carried at fair value determined by external valuers and derived from the current market rents and commercial property yields for comparable real estate, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

Leases/leased assets

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

Negative goodwill

Negative goodwill created through transfer of engagements is written off to the Statement of Comprehensive Income as the non-cash assets acquired are depreciated or sold.

Debtors

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

Rental arrears

Rental arrears represent amounts due by tenants for the 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 16.

Cash and cash equivalents

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

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.

Loans

Mortgage loans are advanced by financial institutions under the terms of individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments which have been given approval for Government Capital Grant by the Scottish Government or Glasgow City Council.

2. Principal accounting policies (cont'd)

Financial instruments

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

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

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

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

Retirement benefits

The Scottish Housing Association Defined Benefits Pension Scheme (Note 24)

The Association is a member of the Scottish Housing Associations' Pension Scheme (SHAPS) Defined Contribution Pension Scheme. The cost of the employer's contributions is charged to the Statement of Comprehensive Income on an accruals basis.

The Association closed the SHAPS Defined Benefits Pension Scheme in the year ended 31 March 2019 to future accrual. The retained retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

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

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

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

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

3. Judgements in applying policies and key sources of uncertainty

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

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

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

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

<u>Estimate</u>	<u>Basis of estimation</u>
Useful lives of property, plant and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management at the Association, with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members.
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	This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate.
The valuation of the commercial properties	The commercial properties have been valued at its market value based on a valuation performed by a qualified valuer based on market data.

WELLHOUSE HOUSING ASSOCIATION LIMITED

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

4. Particulars of turnover, operating expenditure and operating surplus

	Notes	Turnover £	Operating Expenditure £	2023 Operating surplus £	Turnover £	Operating Expenditure £	2022 Operating surplus £
Affordable lettings	5	4,068,430	(3,473,880)	594,550	3,929,799	(3,280,146)	649,653
Other activities	6	63,677	(33,609)	30,068	56,748	(49,730)	7,018
Total		4,132,107	(3,507,489)	624,618	3,986,547	(3,329,876)	656,671

WELLHOUSE HOUSING ASSOCIATION LIMITED

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

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

	General Needs Housing £	2023 Total £	2022 Total £
Income from lettings			
Rent receivable net of identifiable service charges	3,484,598	3,484,598	3,359,474
Service charges receivable	-	-	-
Gross rents receivable	3,484,598	3,484,598	3,359,474
Less: Rent losses from voids	(40,565)	(40,565)	(28,609)
Net rents receivable	3,444,033	3,444,033	3,330,865
Release of deferred government capital grants	525,630	525,630	548,637
Other revenue grants	98,767	98,767	50,297
Total income from affordable letting activities	4,068,430	4,068,430	3,929,799
Expenditure on affordable letting activities			
Service costs	-	-	-
Management and maintenance administration costs	1,271,612	1,271,612	1,363,325
Reactive maintenance costs	627,982	627,982	473,433
Bad debts – rents and service charges	70,483	70,483	(26,692)
Planned and cyclical maintenance	174,545	174,545	187,515
Major repairs	82,587	82,587	85,166
Stage 3 repairs	54,871	54,871	48,623
Depreciation of social housing	1,191,800	1,191,800	1,148,776
Operating expenditure for affordable letting activities	3,473,880	3,473,880	3,280,146
Operating surplus on letting activities, 2023	594,550	594,550	
<i>Operating surplus on letting activities, 2022</i>	<i>649,653</i>		<i>649,653</i>

Included in depreciation of affordable housing is £92,943 (2022: £116,254) in respect of the loss on disposal of components.

There is no supporting housing accommodation or shared ownership accommodation.

WELLHOUSE HOUSING ASSOCIATION LIMITED

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

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

	Grants from Scottish Ministers £	Other revenue grants £	Supporting People income £	Other income £	Total Turnover £	Operating expenditure - bad debts £	Other operating expenditure £	2023 Operating surplus/ (deficit) £	2022 Operating surplus/ (deficit) £
Wider role activities	-	-	-	-	-	-	(53,793)	(53,793)	(24,843)
Factoring	-	-	-	13,427	13,427	-	-	13,427	13,449
Development and construction of property activities	-	-	-	-	-	-	-	-	-
Agency / management services	-	-	-	-	-	-	-	-	-
Commercial properties rental income & hub income	-	-	-	48,803	48,803	36,879	(12,480)	73,202	31,084
Tenant participation costs	-	-	-	-	-	-	(4,215)	(4,215)	(12,676)
Re-chargeable repair bad debts	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	1,447	1,447	-	-	1,447	4
Total from other activities 2023	-	-	-	63,677	63,677	36,879	(70,488)	30,068	
<i>Total from other activities 2022</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>56,748</i>	<i>56,748</i>	<i>-</i>	<i>(49,730)</i>		<i>7,018</i>

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

The directors are defined as the members of the Management Committee, the Director and any other person reporting directly to the Director or the Management Committee. No emoluments were paid to any member of the Management Committee during the year (2022: £nil). The Association considers key management personnel to be the Management Committee and the senior management team of the Association only.

	2023	2022
	£	£
Emoluments payable to the Director (excluding pension contributions)	55,442	70,435
Pension contributions in respect of the Director	5,499	7,044
In 2022/23, the Director took a three-month unpaid sabbatical in line with Wellhouse HA's approved HR policies.		
Total emoluments paid to key management personnel	194,628	209,122
Employer NI in respect of key management personnel	23,659	23,977
Pension contributions payments in respect of key management personnel	15,677	16,075
	233,964	249,174

Key management personnel, consists of the Director, the Finance & Corporate Services Manager, the Housing & Customer Services Manager and the Assets & Maintenance Manager.

The number of officers including the highest paid officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:-

	2023	2022
	Number	Number
£60,001 to £70,000	-	-
£70,001 to £80,000	-	1

8. Employee information

	2023	2022
	Number	Number
The average number of full-time equivalent persons employed during the year was:	19	20
The average total number of employees employed during the year was	19	21
Staff costs were:		
	2023	2022
	£	£
Wages and salaries	692,370	686,802
Society security costs	69,842	65,516
Other pension costs	64,835	64,893
	827,047	817,211

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

8. Employee information (cont'd)**Year ended 31 March 2023**

During the year, past service deficit contributions of £37,366 (2022: £61,162) were paid. Of this payment, £35,447 (2022: £59,247) was a payment in respect of the SHAPS past service deficit liability. The remainder of £1,919 (2022: £1,915) was pension management costs which have been included in the pension contributions total included in staff costs above.

9. Operating surplus

	2023	2022
	£	£
Surplus before tax is stated after charging:		
Depreciation - Tangible Fixed Assets	1,125,460	1,059,125
- Loss on disposed components	92,943	116,254
Auditor's Remuneration - Audit services (exc VAT)	12,000	11,500
- Other services (exc VAT)	4,138	5,500
Internal Auditor's fees (exc VAT)	9,450	4,950
Operating lease rentals – other	21,589	9,491
	=====	=====

10. Interest receivable and other income

	2023	2022
	£	£
Bank interest	10,823	2,399
Defined benefit pension liability – interest income (Note 24)	553	-
	=====	=====
	11,376	2,399

11. Interest and financing costs

	2023	2022
	£	£
Defined benefit pension liability – interest charge (Note 24)	-	3,247
On bank loans and overdrafts	240,533	228,553
	=====	=====
	240,533	231,800

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

12. Tax on surplus on ordinary activities

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities (2022: £nil). No tax is due on the Association's other activities due to the losses incurred (2022: £nil tax due).

13. Tangible fixed assets	Housing properties held for letting	Housing properties under construction	Total
(a) Housing properties			
Cost	£	£	£
At 1 April 2022	41,459,731	80,530	41,540,261
Additions - properties	-	-	-
Additions - components	671,465	-	671,465
Disposals - properties	-	-	-
Disposals - components	(238,718)	-	(238,718)
At 31 March 2023	41,892,478	80,530	41,973,008
Depreciation			
At 1 April 2022	14,366,230	-	14,366,230
Charge for year	1,098,857	-	1,098,857
On disposals – properties	-	-	-
On disposals - components	(145,775)	-	(145,775)
At 31 March 2023	15,319,312	-	15,319,312
Net Book Value			
At 31 March 2023	26,573,166	80,530	26,653,696
At 31 March 2022	27,093,501	80,530	27,174,031

Additions to housing properties include capitalised development administration costs of £Nil (2022: £nil) and capitalised interest of £Nil (2022: £nil).

Included in freehold housing properties is land with a historic cost allocation of £2,708,922 (2022: £2,708,922).

All land and properties are freehold.

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

13. Tangible fixed assets

(b) Other fixed assets	Commercial properties	Office premises (leasehold)	Office furniture & equipment	Total
Cost	£	£	£	£
As at 1 April 2022	350,000	1,408,547	184,796	1,943,343
Additions	-	-	-	-
Revaluations	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2023	350,000	1,408,547	184,796	1,943,343
Aggregate Depreciation				
As at 1 April 2022	-	436,669	184,796	621,465
Charge for year	-	26,604	-	26,604
Depreciation on disposals	-	-	-	-
As at 31 March 2023	-	463,273	184,796	648,069
Net Book Value				
At 31 March 2023	350,000	945,274	-	1,295,274
At 31 March 2022	350,000	971,878	-	1,321,878

The commercial properties (4 shop units) were revalued by Jones Lang La Salle, Chartered Surveyors, at 25 July 2022 on a market value basis. The Management Committee consider this to be the fair value at 31 March 2023.

The office is built on land which is leased. The lease expires on 23 June 2063.

14. Housing stock	2023	2022
	£	£
The number of units of accommodation in management at the year-end was:-		
General Needs - New build	342	342
- Rehabilitation	452	452
	794	794
15. Negative goodwill	2023	2022
	£	£
Gross	1,449,101	1,449,101
Amortisation		
As at 1 April	(457,610)	(419,476)
Released during the year	(38,134)	(38,134)
	(495,744)	(457,610)
Net position at 31 March	953,357	991,491

The negative goodwill was generated as a result of a transfer of engagements from GHA in 2010/11.

WELLHOUSE HOUSING ASSOCIATION LIMITED

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

16. Debtors	2023	2022
	£	£
Arrears of rent and service charges	403,055	327,736
Less: Provision for doubtful debts	(297,099)	(247,396)
	105,956	80,340
Other debtors	194,596	115,693
	300,552	196,033
All amounts shown under debtors fall due for payment within one year.		
17. Cash and cash equivalents	2023	2022
	£	£
Cash at bank and in hand	3,121,185	3,126,776
18. Creditors: amounts falling due within one year	2023	2022
	£	£
Bank loans (note 19)	243,181	241,503
Trade creditors	353,781	397,952
Rent in advance	184,636	134,517
Other taxation and social security	18,752	19,452
Other creditors	113,468	146,940
Accruals	79,167	83,945
Deferred capital grant (note 20)	525,630	546,061
	1,518,615	1,570,370

At the year-end other creditors included outstanding pension contributions of £8,818 (2022: £13,131).

WELLHOUSE HOUSING ASSOCIATION LIMITED

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

19. Creditors: amounts falling due after more than one year	2023	2022
	£	£
Bank loans	7,178,263	7,428,760
Deferred capital grants (note 20)	13,531,198	14,036,397
	20,709,461	21,465,157

Bank loans are secured by specific charges on the Association's properties. The net book value of housing properties secured at the year-end was £21,988,124 (2022: £22,422,433). The loans are repayable at rates of interest of between 1.12% to 4.4% in instalments, due as follows:

Amounts due within one year	243,181	241,503
Amounts due between one and two years	245,015	236,699
Amounts due between two and five years	757,609	719,660
Amounts due in more than five years	6,175,639	6,472,401
	7,421,444	7,670,263
Less: amount shown in current liabilities	(243,181)	(241,503)
	7,178,263	7,428,760

20. Deferred capital grants	2023	2022
	£	£
Balance at 1 April	14,582,458	15,131,095
Grants received in year	-	-
Released to income in year – components disposed	-	(2,577)
Released to income in year – Housing properties	(502,102)	(522,532)
Released to income in year – Other fixed assets (office)	(23,528)	(23,528)
Balance at 31 March	14,056,828	14,582,458
Split as follows:		
Amounts due within one year	525,630	546,061
Amounts due between one and two years	525,630	546,061
Amounts due between two and five years	1,576,891	1,638,182
Amounts due in more than five years	11,428,677	11,852,154
	14,056,828	14,582,458

WELLHOUSE HOUSING ASSOCIATION LIMITED

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

21. Share capital	2023	2022
	£	£
Shares of £1 each issued and fully paid		
At 1 April	99	103
Shares issued in year	7	-
Shares cancelled in year	(28)	(4)
	<hr/>	<hr/>
At 31 March	78	99
	<hr/>	<hr/>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings. Called up share capital on the Statement of Financial Position has been adjusted to reflect the number of shares held by active members.

22. Revenue reserve

The revenue reserve is unrestricted and undesignated funds available for general use to further the Association's aims and objectives.

23. Related party transactions

Three Committee members and two members who resigned during the year (2022: *four*) are tenants of the Association. Those members that are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage. The total rent charged in the year relating to tenant Management Committee members is £12,780 (2022: £17,411). The total rent arrears relating to tenant Management Committee members is £60 (2022: £2,545). The total prepaid rent relating to tenant Management Committee members is £314 (2022: £254).

24. Retirement benefit obligations**General**

The Scheme is a multi-employer defined benefit scheme. The Scheme offers six benefit structures to employers, namely:

- Final salary with a 1/60th accrual rate.
- Career average revalued earnings with a 1/60th accrual rate.
- Career average revalued earnings with a 1/70th accrual rate.
- Career average revalued earnings with a 1/80th accrual rate.
- Career average revalued earnings with a 1/120th accrual rate, contracted in.
- 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 3 months' notice. Wellhouse Housing Association Limited has elected to operate the Defined Contribution (DC) Scheme to all other staff.

Defined benefit scheme

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

The 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.

Final Salary with a 1/60th Accrual Rate Scheme

There was an annual employer past service deficit contribution of £35,447 (net of expenses) made in the year ended 31 March 2023 (2022 - £59,247).

As at the Statement of Financial Position date there are no active members (2022: *nil*) of the defined benefit scheme employed by Wellhouse Housing Association Limited. The last remaining member transferred to the defined contribution scheme during the year to 31 March 2019. Wellhouse Housing Association Limited no longer offers membership to the defined benefit scheme with all existing and new staff offered the defined contribution scheme.

The last triennial valuation of the Scheme was performed as at 30 September 2018 by a professionally qualified actuary using the "projected unit credit" method. The market value of the Scheme's assets at the valuation date was £877 million. The valuation revealed a shortfall of assets compared to liabilities of £121 million, equivalent to a past service funding level of 89%

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

24. Retirement benefit obligations (cont'd)

General (cont'd)

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.

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

	31 March 2023 £'000	<i>31 March 2022 £'000</i>
Fair value of plan assets	1,169	<i>1,804</i>
Present value of defined benefit obligation	(1,220)	<i>(1,804)</i>
Defined benefit liability to be recognised	(51)	<i>-</i>

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2023 £'000	<i>Year ended 31 March 2022 £'000</i>
Defined benefit obligation at start of period	(1,804)	<i>(1,906)</i>
Current service cost	-	<i>-</i>
Expenses	(2)	<i>(2)</i>
Interest expense	(50)	<i>(41)</i>
Actuarial gains/(losses) due to scheme experience	21	<i>(39)</i>
Actuarial gains/(losses) due to changes in demographic assumptions	27	<i>(6)</i>
Actuarial gains due to changes in financial assumptions	557	<i>160</i>
Benefits paid and expenses	31	<i>30</i>
Defined benefit liability at the end of the period	(1,220)	<i>(1,804)</i>

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

24. Retirement benefit obligations (cont'd)

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

	Year ended 31 March 2023 £'000	<i>Year ended 31 March 2022 £'000</i>
Fair value of plan assets at start of the period	1,804	1,730
Interest income	51	38
Experience on plan assets (excluding amounts included in interest income) - gain	(692)	5
Contributions by the employer	37	61
Benefits paid and expenses	(31)	(30)
Fair value of plan assets at end of period	1,169	1,804

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31 March 2023 £'000	<i>Year ended 31 March 2022 £'000</i>
Current service cost	-	-
Admin expenses	2	2
Net interest (income)/expense	(1)	3
Defined benefit costs recognised in Statement of Comprehensive Income	1	5

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

24. Retirement benefit obligations (cont'd)**Defined benefit costs recognised in Other Comprehensive Income**

	Year ended 31 March 2023 £'000	<i>Year ended 31 March 2022 £'000</i>
Experience on plan assets (excluding amounts included in net interest cost) – (loss)/gain	(692)	5
Experience gains and losses arising on the plan liabilities – gain/(loss)	21	(39)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation gain/(losses)	27	(6)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	557	160
Total amount recognised in Other Comprehensive Income – actuarial (loss)/gain	(87)	120

Fund allocation for employer's calculated share of assets

	31 March 2023 £'000	<i>31 March 2022 £'000</i>
Absolute Return	16	83
Alternative Risk Premia	7	75
Cash	5	-
Corporate Bond Fund	2	115
Credit Relative Value	45	58
Currency Hedging	2	(8)
Distressed Opportunities	36	65
Emerging Markets Debt	9	68
Global Equity	31	359
High Yield	6	18
Infrastructure	126	113
Insurance-Linked Securities	32	38
Liability Driven Investment	494	440
Long Lease Property	39	52
Net Current Assets	3	-
Over 15 Year Gilts	-	1
Private Debt	52	46
Property	49	47
Risk Sharing	85	59
Secured Income	78	97
Liquid Credit	-	12
Opportunistic Credit	-	6
Opportunistic Illiquid Credit	52	60
Total Assets	1,169	1,804

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**
24. Retirement benefit obligations (cont'd)

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

Assumptions as at	31 March 2023 % per annum
Discount rate	4.85
Inflation (RPI)	3.18
Inflation (CPI)	2.78
Salary growth	3.78
Allowance for commutation of pension for cash at retirement	75% of maximum allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2023	20.5
Female retiring in 2023	23.0
Male retiring in 2043	21.7
Female retiring in 2043	24.4

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

Member data summary**Active members**

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

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	2	24	53
Females	5	17	47
Total	7	41	49

Pensioners

	Number	Pensions (£'000s p.a.)	Average age (unweighted)
Males	3	20	66
Females	2	19	69
Total	5	39	67

24. Retirement benefit obligations (cont'd)**Employers debt on withdrawal**

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

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

The Association has been notified by The Pensions Trust of the estimated debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2022. As of this date the estimated debt for the Association was £494,386.

Review of historic benefit changes

We were notified in 2021 by the Trustee of the Scheme (TPT Retirement Solutions) that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items and this process is ongoing with it being unlikely to be resolved before the end of 2021 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £27m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

25. Connect Community Trust

Connect Community Trust is not deemed a related party of the Association; however, due to the nature of relationship between both entities, it has been deemed reasonable to disclose their activities separately.

During the 2020/21 year Connect Community Trust formally terminated their relationship with Wellhouse Housing Association Limited and vacated both the Hub and Newhills Road. Consequently, there were no charges made to CCT by the Association in the current year.

At the year end, Connect Community Trust owed the Association £nil (2022: £37,608). The balance of £37,608 was fully provided for as at 31 March 2022. During the year ended 31 March 2023, the provision was used to write off the balance owed.

WELLHOUSE HOUSING ASSOCIATION LIMITED

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

26. Capital commitments	2023	2022
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	-	310,765
Approved but not contracted	76,009	-
	76,009	310,765
Funded by:		
Grants	-	-
Reserves	76,009	310,765
Private finance	-	-
	76,009	310,765
27. Commitments under operating leases		
At the year end, the total future minimum payments under operating leases were due as follows:		
	2023	2022
	£	£
Equipment:		
Not later than one year	21,146	9,491
Later than one year and not later than five years	8,443	-
More than five years	6,560	-
	36,149	9,491
28. Net cash flow from operating activities	2023	2022
	£	£
Surplus for the year	433,595	475,404
Adjustments for non-cash items:		
Carrying amount of other fixed asset disposals	-	-
Depreciation of housing properties	1,191,800	1,148,776
Depreciation of other fixed assets	26,604	26,603
(Increase)/decrease in debtors	(104,519)	72,142
(Decrease)/(increase) in creditors	(33,002)	170,448
Release of negative goodwill	(38,134)	(38,134)
Release of deferred Government capital grant	(525,630)	(548,637)
Adjustments for investing and financing activities:		
Movement in fair value of investment properties	-	(10,000)
Interest payable	240,533	231,800
Interest received	(11,376)	(2,399)
Forfeited share capital	(28)	(4)
Net cash generated from operating activities	1,179,843	1,525,999

Annual General Meeting	27 September 2023
Agenda Item	7
Title of Paper	Election to Committee
Author	Linda Logan, Corporate & Governance Officer
Attachment	none

FOR APPROVAL

1. Under Rule 38.1 of the Association's Rules, at least one third of the Committee or the nearest whole number thereto, and who have served the longest on the Committee since the date of their last election, must retire.

Under Rule 38 the following members have stood down and are seeking re-election, they do not require nomination. Because there are fewer nominations than places on the committee, all those seeking re-election will be properly elected.

These members are Darron Brown and Michelle Harrow.

2. Under Rule 38.3 Committee Members must also retire if they have been co-opted onto the Committee under Rule 41.1 or have filled a casual vacancy under Rule 40.

These members are Leeann Brown (Co-optee) and Anna Dukova (Casual Member)

They do not require a nomination.

There are up to 12 places on the Management Committee. No new Nominations for Election to the Committee have been received. We have 4 vacancies.

WELLHOUSE HOUSING ASSOCIATION LIMITED
ANNUAL GENERAL MEETING 27 SEPTEMBER 2023
APPLICATION FOR PROXY VOTE

APPENDIX 1

Iam a member of Wellhouse Housing Association Limited.

My address is

I hereby appoint

Who lives at

To be my representative and vote for me at the Association's AGM on 27 September 2023 and any other date that the meeting may continue on.

Your Name

Signature

Date

The completed form **must** be returned to the Association **by Wednesday 20 September 2023, 12 noon** at the latest.

WELLHOUSE HOUSING ASSOCIATION LIMITED
THE HUB, 49 WELLHOUSE CRESCENT
WELLHOUSE, GLASGOW, G33 4LA
FAO: Linda Logan, Governance & Corporate Services Officer

Any forms not returned by the closing date are not valid