



PROVANHALL HOUSING ASSOCIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Registered Housing Association No. HHC242

Financial Conduct Authority No. 2401RS

Scottish Charity No SC037762

PROVANHALL HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVES AND PROFESSIONAL ADVISORS

FOR THE YEAR ENDED 31 MARCH 2025

Management Committee

Linda Cameron (Chair)
Deborah Anderson (Vice-chair)
Christine Morris (Secretary) (Resigned 28 May 2025)
Elizabeth McEwan (Secretary from 28 May 2025)
Ayodeji Olorunsogo
Gabriel Agbola
Calum O'Donnell
Claire McKay
Daniel Hughes
Moir Bayne (Resigned 10 September 2025)
Tom Irving (Co-optee) (Appointed 31 March 2025)
David Carse (Co-optee) (Appointed 31 March 2025)
Geraldine Whitley (Co-optee) (Resigned 5 April 2024)
James McGuire (Resigned 19 April 2024)
Tracy Coutts (Resigned 6 November 2024)

Executive Officers

Alan Hume, Director
Graeme McKee, Housing Services Manager (appointed 8 July 2024 and resigned 11 April 2025)
Stephen Baxter, Housing Services Manager (appointed 19 June 2023, resigned 8 July 2024)
Mark Quigley, Repairs & Asset Manager (resigned 15 November 2024)
Mark Tedford Operations Manager (appointed 16 December 2024)

Registered Office

34 Conisborough Road
Easterhouse
Glasgow
G34 9QG

External Auditor

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

Solicitors

Kelly & Co
184 Abercromby Street
Glasgow
G40 2RZ

T C Young
7 West George Street
Glasgow
G2 1BA

BTO Solicitors LLP
48 St Vincent Street
Glasgow
G2 5HS

Bankers

Bank of Scotland Plc
Glasgow The Forge
PO Box 1000
BX2 1LB

Internal Auditor

Wbg
68 Bath Street
Glasgow
G2 4TP

PROVANHALL HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

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Registration particulars:

Financial Conduct Authority

Co-operative and Community Benefit Societies Act 2014
Registered Number: 2401RS

Scottish Housing Regulator

Housing (Scotland) Act 2010
Registered Number: HHC242

Scottish Charity

Scottish Charity Number SC037762

PROVANHALL HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The Management Committee present their report and audited financial statements for the year ended 31 March 2025.

Principal activity

The principal activity of Provanhall Housing Association Limited ("Provanhall") is the development, management and maintenance of housing for people in housing need.

Provanhall is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society, The Office of the Scottish Charities Regulator (OSCR) as a charity and with the Scottish Housing Regulator as a Registered Social Landlord.

Strategy and Objectives

The Association's Strategy is:

- Consolidating and improving our core business, through service improvement and investment;
- Managing our assets and resources well for the benefit of tenants and the Provanhall community;
- Working with the community and others to improve opportunities and the quality of life for local people; and
- Developing our role as a community anchor organisation for Provanhall.

To deliver the Strategy, the Management Committee has set five strategic objectives:



PROVANHALL HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

Operating Environment

The economic environment remains challenging, though signs of stabilization are emerging. As of April 2025, UK Consumer Price Index (CPI) inflation stood at 3.5%, continuing its downward trajectory from a peak of 11.1% in October 2022. While this represents notable progress, the cost of living continues to place pressure on households in our community and across the country.

Following a comprehensive tenant consultation, the Association implemented a 7% rent increase for the 2025/26 financial year. The consultation yielded a 36.64% response rate, with 69% of respondents expressing support for the proposal. This adjustment is consistent with the Scottish Federation of Housing Associations' affordable rent assessment and reflects our commitment to maintaining a balance between affordability and long-term financial sustainability. Even after the increase, our rents remain the second most affordable within our local peer group, based on projected percentage increases.

The rent adjustment also underpins our Capital Expenditure Programme, which allocates £5,187,747 over five years from 2024/25, supporting essential investment in our housing stock and infrastructure.

In parallel, a review of the Association's organisational structure is underway. This initiative aims to deliver financial efficiencies and service enhancements in the year ahead, ensuring we continue to meet the evolving needs of our tenants and stakeholders.

Strategic Investment and Services

We continued to fund our Income Maximisation Service and support Connect Community Trust (CCT) in managing the Connie. Estate Management Services—including gardening, bin pulls, back court maintenance, and bulk uplift—remain a core priority.

In 2024/25, we invested £955,265 as part of our revised Capital Expenditure Programme, ensuring our homes remain safe, comfortable, and energy efficient.

Rent Arrears and Tenant Support

Rent management performance remained robust throughout the year. As at 31 March 2025:

- Total rent arrears stood at 2.67%, a slight increase from 2.00% in 2023/24
- Gross arrears amounted to £69,958
- Only two cases were escalated to court—one relating to rent arrears and one to anti-social behaviour—demonstrating the effectiveness of our proactive tenancy management and support services.
- A total of 311 tenants received Direct Housing Costs through Universal Credit or Housing Benefit, consistent with previous years. This continued support plays a vital role in sustaining tenancies and mitigating financial hardship.

Maintenance and Repairs

- Reactive Maintenance: £689,508
- Average cost per unit: £1,316 (up from £1,170 in 2023/24)
- Void Re-let Costs: £104,777 for 28 homes (vs. £98,679 for 30 homes in 2023/24)

Planned Works Completed

- Kitchen Renewals: 9
- Bathroom Renewals: 7
- Boiler Renewals: 27
- Electrical Rewires: 13
- Window Replacements: 111
- Auchinlea Square Surface Works: Completed

PROVANHALL HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

Cyclical Works Completed

- Gutter Cleaning: 520
- Electrical Safety Inspections: 520
- Gas Servicing: 516
- Close Painting: 0

As of the reporting period, Scottish Housing Quality Standard (SHQS) compliance stood at 97.20%, with three exemptions and a small number of marginal failures. Compliance with fire detection, gas safety, and electrical safety checks was maintained at 100%, reflecting our continued commitment to tenant safety and regulatory standards.

A Value for Money assessment was completed for gas servicing and reactive maintenance, resulting in the procurement of two new contractors, effective 1 April 2025. One contractor will deliver all reactive repairs, while the other will manage gas servicing. This strategic change is expected to reduce costs and enhance operational efficiency through the use of a schedule of rates for ordered works and a service contract for gas-related repairs and maintenance.

Medical Adaptations

Funding from the local authority for medical adaptations dropped from 74% to 23%. In response, the Management Committee committed to covering the shortfall, ensuring no tenant is left in accommodation that could be altered to sustain their tenancy with dignity.

Year	PHA Funded	Grant Funded	Total Spend	% Grant	Households Helped
2023/24	£6,843	£19,605	£26,448	74%	12
2024/25	£39,199	£11,800	£50,999	23%	23

Community Impact and Funding

- Welfare Rights Officer supported 349 households, securing £1,478,087 in benefits
- Fuel Bank supported 86 households with £3,145
- Cash for Kids provided £5,000 for Christmas; the Association added £1,250, distributing £25 vouchers to 250 children
- Caravan Project supported 7 families with affordable holidays

Governance and Assurance

Internal audit activity during the year covered two key areas:

- Planned Maintenance – rated Weak
- Budget and Financial Reporting – rated Strong

An internal action plan has been developed to address the findings in Planned Maintenance and drive improvements in this area. A consultant-led review of our Annual Assurance Statement concluded with no changes recommended, affirming the robustness of our governance arrangements. Additionally, we conducted a review of our Annual Return on the Charter (ARC) indicators to provide continued assurance to stakeholders regarding our performance.

We also successfully concluded engagement with the Scottish Housing Regulator concerning financial management. Our updated 30-year financial plan demonstrates improved cash flow and long-term financial sustainability, reinforcing our commitment to sound financial stewardship.

PROVANHALL HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

1 Corporate Governance (continued)

Health, Safety, and Inclusion

We monitored and responded to 26 cases of damp and mould, with all resolved to tenant satisfaction. Our guidance remains under review to ensure best practice.

Our Equality, Diversity and Inclusion Strategy continues to guide improvements in service delivery and monitoring. We remain a Disability Confident Employer and retained our Cyber Essentials Accreditation.

Partnership and Community Engagement

We continued to strengthen our role within the community through a range of partnerships and initiatives. We supported Connect Community Trust (the Connie) in delivering a variety of local services, including youth clubs, job clubs, lunch clubs, IT classes, and bingo sessions, helping to foster inclusion and wellbeing.

As active members of the Easterhouse Housing and Regeneration Alliance (EHRA), we collaborated on lobbying efforts and training initiatives, contributing to sector-wide improvements and shared learning.

We also engaged with Easterhouse Sports Centre to promote community wellbeing and youth engagement, supporting access to recreational opportunities for local residents.

In partnership with Glasgow City Council, we progressed the refurbishment of nine homes, which will be brought into social housing stock within the current financial year—expanding access to quality, affordable housing.

Internally, our Finance function was strengthened through improved forecasting capabilities and the successful migration to a new Housing and Financial Management system, enhancing our operational efficiency and financial oversight.

Corporate Governance

Our Management Committee remains strong, with 11 members, including five external non-tenants. Attendance at meetings for 2024/25 was 77%. Meetings were held in person with remote access via Teams. Training continued via our Training Matrix, with a full Governing Body Assessment completed in December 2024 by SHARE.

Digital Transformation

We launched a new online housing application portal, available in multiple community languages, enhancing accessibility and user experience.

Our new computer system, launched in January 2025, improves tenant communication and streamlines reporting.

2 Corporate Issues

Tenant involvement and participation is a major part of the Association's Aims and Objectives and we continue to review how Provanhall involves tenants in its activities.

Provanhall is committed to involving staff in decision making and policy making. In the year just ended staff were fully involved in the internal management plan process and regular staff meetings were held to keep staff informed of our activities.

Performance Management

Service delivery is underpinned by staff performance. This continues to be a high priority for us. In the last year we have continued to implement our staff appraisal system and undertook a staff training needs assessment.

PROVANHALL HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

Best use of resources

We regularly conduct risk assessments, and take any action necessary to reduce or limit risk. We have continued a programme of major investment in our housing stock. This involves carrying out major repairs including the replacement of significant components. We have updated our stock condition information to ensure that our long-term financial planning reflects our future investment requirements.

Services

We aim to deliver high quality services, and we set ourselves the goal of achieving continuous improvement in what we do.

We continued to monitor rent arrears closely. We also continued to deliver many completed adaptations to existing properties to meet the specific needs of our tenants.

Risk Management Policy

The Committee has a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Association faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Committee has reviewed the adequacy of the Association's current internal controls, through its Internal Audit programme.

Principal risk and uncertainties

The principal risks and uncertainties facing the Association are on-going impacts of the cost of living crisis, sustained high inflationary costs, commitment to improving energy efficiency of our homes, and ongoing impact from the UK's exit from the EU. The Association operates both a strategic and operational risk register which are reviewed regularly. The Management Committee have agreed a 'risk appetite' based on this register and take this into account when making decisions.

Employee Involvement and Health & Safety

The Association encourages employee involvement in all major initiatives and have published a Fair Work Practice Statement to ensure compatibility with sector wide best practice and funding requirements.

Investment Appraisal

Capital expenditure is regulated by the budgetary process and authorisation levels. For expenditure beyond specified levels, detailed written proposals have to be submitted to the Committee. Reviews are carried out during the development period, to monitor expenditure and performance.

Internal Financial Controls

The Management Committee is responsible for establishing and maintaining the Association's system of internal controls. Internal controls systems are designed to meet the particular needs of the Association and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The key procedures which the Management Committee has established with a view to providing effective internal financial controls are detailed on page 9.

PROVANHALL HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

Management Structure

The Management Committee has overall responsibility for the Association and there is a formal schedule of matters specifically reserved for decision by the Committee.

Revenue Reserve Policy

The Committee members have reviewed the reserves of Provanhall. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. During the year the Association's revenue reserve increased from £9,107,041 to £9,231,674 due to the total comprehensive income of £124,633 in the year.

Maintenance Policies

The Association seeks to maintain its properties to the highest standard. To this end programmes of cyclical repairs are carried out in the short and medium term to deal with the gradual and predictable deterioration of building components. It is expected that the cost of all these repairs would be charged to the Statement of Comprehensive Income.

In addition, the Association has a long-term programme of major repairs to cover for works which have become necessary since the original development was completed, including works required by subsequent legislative changes. This includes replacement to components of the properties, which have come to the end of their economic lives. The cost of these replacements is capitalised within the terms outlined in the Statement of Recommended Practice for Social Housing Providers issued in 2018.

Treasury Management

The Association has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Management Committee. In this way the Association manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held.

Credit Payment Policy

The Association's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period is thirty days.

Budgetary Process

Each year the Management Committee approves the annual budget and rolling three-year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Management Committee of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

Rental Income

The Association's Rent Policy is a percentage system based on the size, type and facilities of the accommodation. The policy ensures that the rent structure is easy to administer and covers the wide variations within the Association's properties. The percentage value is reviewed annually to ensure that the rents cover the required costs. This policy follows the generally accepted practice/principles of the housing movement.

PROVANHALL HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

Disabled Employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Association may continue. It is the policy of the Association that training, career development and promotion opportunities should be available to all employees.

Future Developments

Subject to the availability of public funding and identification of suitable development sites the Association is committed to an on-going development programme to provide new housing for our tenants.

Related Party Transactions

Six members of the Management Committee are tenants whilst another was a private owner who uses the Association as a factor. Their tenancies and factoring arrangements are on the Association's normal tenancy terms and they cannot use their position to their advantage. Transactions with the Management Committee during the year are disclosed at Note 22.

Disclosure of information to the auditor

As far as the Management Committee members are aware, there is no relevant audit information of which the Association's auditor is unaware and the Management Committee members have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to ensure the Association's auditor is aware of such information.

Auditor

Azets Audit Services will be proposed for reappointment at the Annual General Meeting.

The Report of the Management Committee (incorporating the Strategic Report) has been approved by the Management Committee on 15 September 2025 and signed on its behalf by:



Liz McEwan

Secretary

Date: 15 September 2025

PROVANHALL HOUSING ASSOCIATION LIMITED

STATEMENT OF THE MANAGEMENT COMMITTEE'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

Housing Association legislation requires the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the 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.

By order of the Management Committee:



Liz McEwan
Secretary

Date: 15 September 2025

PROVANHALL HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE'S STATEMENT ON INTERNAL FINANCIAL CONTROL

FOR THE YEAR ENDED 31 MARCH 2025

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

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

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

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authority, which allows the monitoring of controls and restricts the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared regularly which allow the Management Committee and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Management Committee members and others;
- the Management Committee review reports from management, from directors, staff and from the external auditor and the internal auditor to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association; and
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Management Committee have reviewed the system of internal financial control in existence in the Association for the year ended 31 March 2025 and until the below date. No weaknesses were found in internal financial control, which could result in material losses, contingencies, or uncertainties, which require disclosure in the financial statements or in the auditor's report on the financial statements.

By order of the Management Committee:



Liz McEwan
Secretary

Date: 15 September 2025

PROVANHALL HOUSING ASSOCIATION LIMITED

REPORT OF THE AUDITOR TO THE MANAGEMENT COMMITTEE ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31 MARCH 2025

In addition to our audit of the financial statements, we have reviewed your statement on page 9 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial 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 reason given for any non-compliance.

Opinion

In our opinion, your Statement on internal financial control on page 9 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial control and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the 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

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

Date: 15 September 2025

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

PROVANHALL HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVANHALL HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of Provanhall Housing Association Limited (the 'Association') for the year ended 31 March 2025 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 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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.

PROVANHALL HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVANHALL HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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 8 the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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.

PROVANHALL HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVANHALL HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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

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 director 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.

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;
- 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.

PROVANHALL HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVANHALL HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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

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.

Use of our report

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

**Azets Audit Services
Statutory Auditor
Chartered Accountants**

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 15 September 2025

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.

PROVANHALL HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Turnover	4	2,671,746	2,545,208
Operating expenditure	4	(2,603,559)	(2,231,834)
Operating surplus	4	68,187	313,374
Gain on disposal of fixed assets		-	-
Interest receivable and other income	10	90,764	66,403
Interest payable and similar charges	11	(44,318)	(50,686)
Surplus before tax		114,633	329,091
Taxation	12	-	-
Surplus for the year		114,633	329,091
Other comprehensive income			
Actuarial gain/(loss) in respect of pension scheme	23	10,000	(87,000)
Total comprehensive income for the year		124,633	242,091

The financial statements were authorised for issue by the Management Committee on 15 September 2025 and are signed on its behalf by:



.....
Linda Cameron
Chair

.....
Elizabeth McEwan
Secretary

.....
Deborah Anderson
Committee Member

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements.

PROVANHALL HOUSING ASSOCIATION LIMITED**STATEMENT OF CHANGES IN CAPITAL AND RESERVES****YEAR ENDED 31 MARCH 2025**

	Share Capital £	Revenue Reserve £	Total Reserves £
Balance at 1 April 2024	183	9,107,041	9,107,224
Total comprehensive income	-	124,633	124,633
Shares issued during the year	38	-	38
Shares cancelled during the year	(31)	-	(31)
Balance at 31 March 2025	190	9,231,674	9,231,864

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

	Share Capital £	Revenue Reserve £	Total Reserves £
Balance at 1 April 2023	230	8,864,590	8,865,180
Total comprehensive income	-	242,091	242,091
Shares issued during the year	29	-	29
Shares cancelled during the year	(76)	-	(76)
Balance at 31 March 2024	183	9,107,041	9,107,224

The notes form part of these financial statements.

PROVANHALL HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

		2025	2024
	Note	£	£
Fixed assets			
Tangible fixed assets			
- Housing properties	13	14,971,053	14,544,720
- Other fixed assets	13	255,200	263,118
		15,226,253	14,807,838
Current assets			
Debtors	15	334,766	363,893
Cash and cash equivalents	16a	3,568,791	2,794,310
Investments	16b	-	700,000
		3,903,557	3,858,203
Creditors: amounts falling due within one year	17	(1,248,318)	(712,805)
Net current assets		2,655,239	3,145,398
Total assets less current liabilities		17,881,492	17,953,236
Creditors: amounts falling due after more than one year	18	(8,540,628)	(8,722,012)
Pension - defined benefit liability	23	(109,000)	(124,000)
Net assets		9,231,864	9,107,224
Capital and reserves			
Called up share capital	20	190	183
Revenue reserves	21	9,231,674	9,107,041
Total capital and reserves		9,231,864	9,107,224

The financial statements were authorised for issue by the Management Committee on 15 September 2025 and are signed on its behalf by:



.....
Linda Cameron
Chair

.....
Elizabeth McEwan
Secretary

.....
Deborah Anderson
Committee Member

Financial Conduct Authority No. 2401RS

The notes form part of these financial statements.

PROVANHALL HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	£	2025 £	£	2024 £
Cash flow from operating activities				
Surplus for the year	114,633		329,091	
<u>Adjustments for non-cash items:</u>				
Depreciation of tangible fixed assets including loss on disposal of components	626,518		675,635	
SHAPS current service costs	(11,000)		-	
Decrease/(Increase) in trade and other debtors	29,127		(254,734)	
Increase/(Decrease) in trade and other creditors	520,171		(11,959)	
Amortisation of intangibles	-		-	
Loss on disposal of property plant and equipment	-		8,507	
<u>Adjustments for investing and financing activities:</u>				
Interest payable	44,318		50,686	
Interest received	(90,764)		(66,403)	
Release of deferred Government capital grants	(362,847)		(357,994)	
Shares cancelled	(31)		(76)	
		870,125		377,301
Cash flow from investing activities				
Purchase of property, plant and equipment	(1,044,933)		(510,454)	
Interest received	90,764		66,403	
		(954,169)		(444,051)
Cash flow from financing activities				
Interest paid	(38,318)		(60,686)	
Repayment of borrowings	(56,200)		(584,059)	
Issue of share capital	38		29	
Withdrawal from/(deposit) to current asset investment	700,000		(200,000)	
Social Housing Grant received	253,005		247,360	
		858,525		(597,356)
Net changes in cash and cash equivalents		774,481		(664,106)
Cash and cash equivalents at 1 April		2,794,310		3,458,416
Cash and cash equivalents at 31 March		<u>3,568,791</u>		<u>2,794,310</u>

PROVANHALL HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

i) Analysis of changes in net debt

	At 1 April 2024	Cash flows	Non cash movements	At 31 March 2025
	£	£	£	£
Cash and cash equivalents and investments				
Cash and cash equivalents	2,794,310	774,481	-	3,568,791
Investments	700,000	(700,000)	-	-
	<u>3,494,310</u>	<u>74,481</u>	<u>-</u>	<u>3,568,791</u>
Borrowings				
Debt due within one year	(51,047)	-	(12,982)	(64,029)
Debt due after one year	(535,702)	56,200	12,982	(466,520)
	<u>(586,749)</u>	<u>56,200</u>	<u>-</u>	<u>(523,950)</u>
Total	<u><u>2,907,561</u></u>	<u><u>130,681</u></u>	<u><u>-</u></u>	<u><u>3,038,242</u></u>

PROVANHALL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. General information

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

The Association is a Co-operative and Community Benefit Society limited by shares and is incorporated in the United Kingdom. The Association is a registered social landlord in Scotland and its registered number is HHC 242. The registered address is available on the first 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.

2. Principal accounting policies

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

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

A summary of the principal accounting policies is set out below.

Basis of preparation

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

The effect of events relating to the year ended 31 March 2025, which occurred before the date of approval of the financial statements by the Management Committee have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2025 and of the results for the year ended on that date.

Going Concern

The Management Committee anticipates that a surplus will be incurred in the years to 31 March 2026 and 31 March 2027. The Association has a healthy cash and net current asset position and the Management Committee are satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus the Management Committee continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from the Scottish Government, local authorities and other agencies. Also included is any income from first tranche shared ownership disposals and management fees for the factoring of properties for private owners as the provision of factoring services is accounted for on an agency basis.

PROVANHALL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2. Principal accounting policies (cont'd)

Turnover (continued)

Income from rental and service charges and factoring management fees is recognised when the Association is entitled to it, it is probable it will be received and it can be measured reliably. The provision of factoring services is accounted for on an agency basis with only the management fee recognised as turnover.

Apportionment of management expenses

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

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

Interest receivable

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

Interest payable

All interest payable is charged to the Statement of Comprehensive Income in the period in which it falls due for payment. The basis for the interest payable is the schedule of interest charges agreed with the financing institution during the establishment of the loans.

Fixed assets - Housing land and buildings

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

- (i) Cost of acquiring land and buildings;
- (ii) Development expenditure; and
- (iii) Interest charged on the loans during the development of the scheme up until completion.

Housing properties are split by component with each component (except for land) depreciated over its expected useful life. New components to be capitalised must have a gross book value equal to or greater than £500.

Depreciation of Housing Properties

Properties other than land are depreciated at rates calculated to reduce net book value of each component of the property to its estimated residual value, on a straight line basis, over the expected remaining life of the component. Land is not depreciated. The estimated useful lives of the assets and components are shown below:

	Depreciation Period (Years)
Roof	50
Structure	50
Windows	25
Kitchens	15
Bathrooms	25
Central Heating	15
Doors	35
Rewiring	30

PROVANHALL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2. Principal accounting policies (cont'd)

Other fixed assets

Other fixed assets are stated at cost less depreciation. Depreciation is charged by equal annual instalments at rates estimated to write off costs less any residual value over expected useful lives as follows:

Office Premises – 2%

Furniture & Fittings & Office Equipment – 25%

Office Fixtures – 20%

Sale of housing properties

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale.

Impairment of fixed assets

A review for impairment for all fixed assets is carried out on an annual basis and any impairment is recognised by a charge to the Statement of Comprehensive Income.

Debtors

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

Rental arrears

Rental arrears represents amounts due by tenants for rental of social housing properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in Note 15.

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.

Investments

Bank deposits that have a maturity of more than three months are disclosed as investments.

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.

PROVANHALL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2. Principal accounting policies (cont'd)

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.

Financial instruments

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

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

Financial assets are derecognised when contractual rights to the cash flows from the assets expire, or when the 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.

2. Principal accounting policies (cont'd)

Pension costs

The Scottish Housing Association Defined Benefits Pension Scheme

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

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

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

The Scottish Housing Association Defined Contribution Scheme

This is a defined contribution scheme. Employer contributions are charged to the Statement of Comprehensive Income on an accruals basis.

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

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

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

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

PROVANHALL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3. Judgements in applying accounting policies and key sources of estimation uncertainty (cont'd)

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

Estimate

Basis of estimation

Useful lives of property, plant and equipment

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

The main components of housing properties and their useful lives

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

Recoverable amount of rental arrears

Rental arrears 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

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

PROVANHALL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

4. Particulars of Turnover, Operating Expenditure and Operating Surplus

	Turnover	Operating Expenditure	2025 Operating Surplus/ (deficit)	Turnover	Operating Expenditure	2024 Operating Surplus/ (deficit)
	£	£	£	£	£	£
Income and Expenditure from lettings						
Social Lettings (Note 5)	2,655,723	(2,556,177)	99,546	2,513,872	(2,156,566)	357,306
Other activities (Note 6)	16,023	(47,382)	(31,359)	31,336	(75,268)	(49,932)
	<u>2,671,746</u>	<u>(2,603,559)</u>	<u>68,187</u>	<u>2,545,208</u>	<u>(2,231,834)</u>	<u>313,374</u>

PROVANHALL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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

	General Needs Housing £	Supported Housing £	Shared Ownership £	2025 Total £	2024 Total £
Income from rent and service charges					
Rent receivable net of service charges	2,296,334	-	2,708	2,299,042	2,148,546
Service charges	-	-	-	-	-
Gross income from rents and service charges	2,296,334	-	2,708	2,299,042	2,148,546
Less voids	(17,250)	-	-	(17,250)	(12,273)
Net income from rents and service charges	2,279,084	-	2,708	2,281,792	2,136,273
Release of deferred Government capital grants	359,766	-	3,081	362,847	357,994
Other revenue grants	11,084	-	-	11,084	19,605
Other income	-	-	-	-	-
Total turnover from social letting activities	2,649,934	-	5,789	2,655,723	2,513,872
Expenditure					
Management and maintenance administration costs	(1,058,495)	-	-	(1,058,495)	(818,336)
Service costs	-	-	-	-	-
Planned & cyclical maintenance	(184,013)	-	-	(184,013)	(53,554)
Reactive maintenance costs	(689,508)	-	-	(689,508)	(614,331)
Bad debts – rents and service charges	(6,520)	-	-	(6,520)	(9,472)
Depreciation of social housing	(616,402)	-	(1,239)	(617,641)	(660,873)
Operating expenditure for social letting activities	(2,554,938)	-	(1,239)	(2,556,177)	(2,156,566)
Operating surplus on letting activities, 2025	94,996	-	4,550	99,546	
Operating surplus on letting activities, 2024	352,897	-	4,409		357,306

Included in depreciation of social housing is £22,803 (2024: £62,431) relating to the loss on disposal of components.

PROVANHALL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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

				2025	2024	2025	2025	2025	2024	
	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total Turnover	Total Turnover	Operating expenditure Bad debts	Other operating expenditure	Operating Surplus/ (deficit)	Operating Surplus/ (deficit)
	£	£	£	£	£	£	£	£	£	£
Wider role activities	-	-	-	14,486	14,486	30,010	-	(45,155)	(30,669)	(37,202)
Factoring	-	-	-	1,537	1,537	1,326	-	-	1,537	1,326
Tenant Participation	-	-	-	-	-	-	-	(2,227)	(2,227)	(8,056)
Total from other activities- 2025	-	-	-	16,023	16,023		-	(47,382)	(31,359)	
Total from other activities- 2024	-	-	-	31,336		31,336	-	(75,268)		(43,932)

PROVANHALL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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. The Association considers key management personnel to be the Management Committee and senior management team of the Association only.

Emoluments (excluding pension contributions) payable to Officers with emoluments greater than £60,000 were £65,005 (2024 - £62,088). Pension contributions made on behalf of Officers with emoluments greater than £60,000 were £10,211 (2024 - £6,197).

No emoluments were paid to any member of the Management Committee during the year (2024 - none).

	2025 £	2024 £
Emoluments of the Director (excluding pension contributions)	65,005	62,088
	<u>65,005</u>	<u>62,088</u>
Total expenses reimbursed insofar as not chargeable to UK income tax	-	-

The Director is a member of the SHAPS Defined Contribution Scheme. The Association's pension contributions for the Director in the year amounted to £10,211 (2024 - £6,197).

The emoluments of key management (excluding pension contributions and including benefits in kind) for the year were £149,402 (2024 - £166,235). Their employers' NI contributions for the year were £17,175 (2024 - £18,151) and their pension contributions for the year were £21,188 (2024 - £15,332).

8. Employee information

	2025 Number	2024 Number
The head count of employees	11.8	9.8
The average number of full time equivalent employees during the year was:	11.6	9.6
	2025 £	2024 £
Staff costs were:-		
Wages and Salaries	452,463	393,383
Social Security Costs	47,301	34,288
Pension Contributions	83,368	49,673
	<u>583,132</u>	<u>477,344</u>

PROVANHALL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

9. Operating surplus

Operating surplus is stated after charging:

	2025	2024
	£	£

Depreciation including loss on disposal components	623,253	675,635
--	----------------	---------

Auditor's remuneration:

- | | | |
|--|---------------|--------|
| • Fees to external auditor – audit excluding VAT | 17,000 | 14,700 |
| • Fees to external auditor – non-audit excluding VAT | 1,250 | 275 |

10. Interest receivable and other income

	2025	2024
	£	£

Bank interest received	90,764	66,403
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11. Interest payable and similar charges

	2025	2024
	£	£

On bank loans and overdrafts	38,318	60,686
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Defined benefit pension liability – interest (Note 23)	6,000	(10,000)
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	44,318	50,686
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12. Taxation

There is no tax on the Association's charitable activities (2024: nil). There is also no tax due on the Association's other activities (2024: nil).

PROVANHALL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2025

13. Tangible Fixed Assets	Housing Properties Held for Letting	Housing Properties Under Development	Completed Shared Ownership Properties	Office Premise	Furniture Fittings & Equipment	Office Fixtures	Total
Cost:	£	£	£	£	£	£	£
At 1 April 2024	25,645,538	-	61,971	396,308	111,530	11,436	26,226,783
Additions during year:							
Property	272,722	-	-	-	-	-	272,722
Components	771,252	-	-	-	-	-	771,252
Other	-	-	-	-	959	-	959
Disposals during year:							
Property	-	-	-	-	-	-	-
Components	(286,631)	-	-	-	-	-	(286,631)
Other	-	-	-	-	(4,860)	-	(4,860)
Transfers during year:	-	-	-	-	-	-	-
As at 31 March 2025	26,402,881	-	61,971	396,308	107,629	11,436	26,980,225
Depreciation							
At 1 April 2024	(11,133,042)	-	(29,747)	(150,387)	(104,747)	(1,022)	(11,418,945)
Charge during year	(593,599)	-	(1,239)	(7,926)	(379)	(572)	(603,715)
Disposals during year:							
Property	-	-	-	-	-	-	-
Components	263,828	-	-	-	-	-	263,828
Other	-	-	-	-	4,860	-	4,860
As at 31 March 2025	(11,462,813)	-	(30,986)	(158,313)	(100,266)	(1,594)	(11,753,972)
Net Book Value							
At 31 March 2025	14,940,068	-	30,985	237,995	7,363	9,842	15,226,253
At 31 March 2024	14,512,496	-	32,224	245,921	6,783	10,414	14,807,838

Additions to Housing Properties during the year includes no capitalised interest nil (2024: £nil) and no capitalised administration costs nil (2024: £nil). All housing properties are heritable. Included in housing properties held for letting is land with a carrying value of £2,233,590 (2024: £2,233,590).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

14. Housing Stock	2025 Number	2024 Number
The number of units of accommodation in management at the year-end was:-		
General Needs Housing	523	524
Shared Ownership	1	1
Properties held for improvement	4	-
	528	525
15. Debtors	2025 £	2024 £
Amounts falling due within one year:		
Arrears of Rent and Service Charges	69,958	78,265
Less: Provision for doubtful debts	(20,439)	(29,311)
	49,519	48,954
Other debtors	27,342	30,469
Prepayments and accrued income	257,905	284,470
	334,766	363,893
16a. Cash and cash equivalents	2025 £	2024 £
Balances held in current accounts	3,568,791	2,794,310
16b. Investments	2025 £	2024 £
Balances held in deposit accounts	-	700,000
17. Creditors: amounts falling due within one year	2025 £	2024 £
Trade creditors	118,405	31,640
Accruals and deferred income	423,871	51,912
Retention creditor	81,674	60,322
HAG creditor	102,099	102,099
Rent in advance	70,534	33,999
Bank loans (Note 18)	64,029	51,047
Other taxes and social security	11,984	10,538
Deferred Government capital grants (Note 19)	358,565	356,205
Other Creditors	17,157	15,043
	1,248,318	712,805

Included in accruals and deferred income is £nil of pension costs (2024: £nil).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

18. Creditors: amounts falling due after more than one year	2025 £	2024 £
Deferred Government Capital Grants (Note 19)	8,074,108	8,186,310
Bank loans	466,520	535,702
	8,540,628	8,722,012

The Association has one loan outstanding at the current and prior year end. The loan is secured by specific charges on the Association's properties and is repayable at a rate of interest of 5.17% (2024: two loans at 5.79%) in instalments as follows:

	2025 £	2024 £
Within one year	64,029	51,047
Between one and two years	67,336	62,145
Between two and five years	223,604	204,295
After five years	175,580	269,262
	530,549	586,749
Less: amount shown in current liabilities	(64,029)	(51,047)
	466,520	535,702

The net book value of housing properties secured at the year-end was £3,080,875 (2024: £4,600,231).

19. Deferred capital grants	2025 £	2024 £
Deferred capital grants at 1 April	8,542,515	8,653,149
Received in the year	253,005	247,360
Released to income in year	(362,847)	(357,994)
Deferred capital grants at 31 March	8,432,673	8,542,515
Split:		
< 1 year	358,565	356,205
1-2 years	358,565	356,205
2-5 Years	1,075,695	1,068,615
> 5 years	6,639,848	6,761,490
Total	8,432,673	8,542,515

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

20.	Share capital	Shares of £1 each fully paid and issued	2025 £	2024 £
	At 1 April 2024		183	230
	Issued during the year		38	
	Cancelled during the year		(31)	(76)
	At 31 March 2025		<u>190</u>	<u>183</u>

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

21. Revenue reserves

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

22. Related parties

The Association has members of the Management Committee who are also tenants. The total rent charged in the year relating to Management Committee members who are tenants is £33,672 (2024: £29,719).

The total rent arrears relating to Management Committee members who are tenants included within debtors at the year-end is £582 (2024: £687). The total prepaid rent relating to Management Committee members who are tenants is £83 (2024: £628).

Included on the Management Committee of the Association is 1 member who is also on the Board of Connect Community Trust, a charity who perform wider role services on behalf of the Association. During the year services totalling £nil (2024: £nil) were received from Connect Community Trust. During the year, the Association provided funds of £44,326 (2024: £35,504) to Connect Community Trust. At the year end, £7,404 (2024: £5,340) was due to Connect Community Trust from the Association.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

23. Pension obligation

General

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £27m. A Recovery Plan was put in place to eliminate the deficit which ran to 30 September 2022.

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

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

The Association has elected to continue operating the 1/60th accrual final salary scheme for existing members. In addition to this, there is also a defined contribution scheme available for new members who joined following the move from offering a defined benefit to a defined contribution pension scheme.

During the accounting period, the Association paid contributions at the rate of 20.3% of pensionable salaries to the defined benefit scheme and 10% for the defined contribution scheme. Member contributions were 12.5% for the defined benefit scheme and 5% for the defined contribution scheme.

As at the Statement of Financial Position date there were 2 (2024: 2) active members of the defined benefit scheme and (2024: 8) active members of the DC scheme employed by the Association.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

23. Pension obligation (continued)

During 2025/26, the Association was advised that following the triennial valuation further deficit contributions would be required at this time and as from April 2026, future deficit payments would recommence. Based on the triennial valuation at September 2024, it has been intimated that a contribution of £18,589 per annum will be required.

Scheme Benefit Review

The Trustee has carried out a review comparing the benefits provided to Scheme members with the requirements of the Scheme documentation. It has received legal advice that there is sufficient uncertainty regarding the effect of some benefit changes that the Court should be asked to provide clarity; to provide the Trustee with the certainty it needs to properly administer the Scheme.

The Court hearing concluded in March 2025, with the Court's determination expected no earlier than the summer of 2025. After this, the Trustee and its advisers will consider the outcome and communicate next steps to employers. Depending on the outcome of the hearing, it may be necessary to ask further questions of the Court to clarify certain additional points.

Should the Court decide that the historic benefit changes need to be applied differently, then some member benefits would need to be increased, which would increase the value placed on Scheme liabilities. No allowance has been made for potential additional liabilities within the estimate provided above.

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

	31 March 2025 £'000	31 March 2024 £'000
Fair value of plan assets	731	858
Present value of defined benefit obligation	(840)	(952)
Defined benefit liability to be recognised	(109)	(124)

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Defined benefit obligation at start of period	(952)	(901)
Current service cost	(18)	(16)
Expenses	(1)	(2)
Interest expense	(46)	(44)
Actuarial (losses) due to scheme experience	(11)	(23)
Actuarial gains due to changes in demographic assumptions	-	5
Actuarial gains due to changes in financial assumptions	128	10
Benefits paid and expenses	60	19
Defined benefit liability at the end of the period	(840)	(952)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

23. Pension obligation (continued)

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

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Fair value of plan assets at start of the period	828	854
Interest income	40	42
Experience on plan assets (excluding amounts included in interest income) – loss	(107)	(79)
Contributions by the employer	30	30
Benefits paid and expenses	(60)	(19)
Fair value of plan assets at end of period	731	828

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Current service cost	18	16
Admin expenses	1	2
Net interest expense	6	2
Defined benefit costs recognised in Statement of Comprehensive Income	25	20

Defined benefit costs recognised in Other Comprehensive Income

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Experience on plan assets (excluding amounts included in net interest cost – (loss))	(107)	(79)
Experience gains and losses arising on the plan liabilities – (loss)	(11)	(23)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	-	5
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	128	10
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain	-	-
Total amount recognised in other comprehensive income – actuarial gain/(loss)	10	(87)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

23. Pension obligation (continued)

Fund allocation for employer's calculated share of assets

	31 March 2025 £'000	31 March 2024 £'000
Global Equity	85	95
Absolute Return	-	37
Distressed Opportunities	-	30
Credit Relative Value	-	29
Alternative Risk Premia	-	30
Emerging Markets Debt	-	15
Risk Sharing	-	50
Insurance-Linked Securities	3	5
Property	36	35
Infrastructure	-	79
Private Equity	1	1
Opportunistic Illiquid Credit	-	33
Private Debt	-	33
Opportunistic Credit	-	-
Corporate Bond Fund	-	-
Cash	4	21
Liquid Alternatives	135	-
Long Lease Property	-	6
Secure Income	17	28
Liability Driven Investment	206	300
Currency Hedging	1	-
Net Current Assets	1	1
Real Assets	87	-
Private Credit	91	-
Credit	31	-
Investment Grade Credit	33	-
Total Assets	731	828

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

Assumptions as at	31 March 2025 % per annum	31 March 2024 % per annum
Discount rate	5.87	4.91
Inflation (RPI)	3.08	3.12
Inflation (CPI)	2.80	2.79
Salary growth	3.80	3.79
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 (years)
Male retiring in 2025	20.2
Female retiring in 2025	22.7
Male retiring in 2045	21.5
Female retiring in 2045	24.2

23. Pension obligation (continued)

Member data summary

Active members

	Number	Total earnings (£'000s p.a.)	Average age (unweighted)
Males	-	-	-
Females	2	86	51
Total	2	86	51

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	2	3	51
Females	1	5	57
Total	3	8	53

Pensioners

	Number	Pensions (£'000s p.a.)	Average age (unweighted)
Males	1	11	66
Females	-	-	-
Total	1	11	66

Employer debt on withdrawal

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

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

The Association has been notified by TPT of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2024. As of this date the estimated employer debt for the Association was £271,360 (as at 30 September 2023: £302,599).

24. Controlling party

In the opinion of the Management Committee, there is no controlling party.

PROVANHALL HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

25. Capital commitments

	2025 £	2024 £
Capital expenditure authorised by the Management Committee that has been contracted for	473,619	-

	2025 £	2024 £
Funded by		
Cash reserves	473,619	-
	473,619	-