



**Alexander Sloan**  
Accountants and Business Advisers

# **Oak Tree Housing Association Limited**

Report and Financial Statements  
For the year ended 31 March 2024

Registered Social Landlord No. HCB137

FCA Reference No.2232RS

Scottish Charity No. SC045300

# OAK TREE HOUSING ASSOCIATION LIMITED

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## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2024

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# OAK TREE HOUSING ASSOCIATION LIMITED

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## MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS

### FOR THE YEAR ENDED 31 MARCH 2024

#### Management Committee

Sandra McMenamin	Appointed Chair 24/04/2023
Veronica Rasmussen	Vice Chair
June Glancy	Secretary from 25/03/2024. Appointed 15/08/2023
James Paton	
Doreen Williams	
Ronny Lee	
Olive Yiga	Appointed 24/04/2023
Nance Smith	Appointed 24/04/2023
Willie Wilson	
Jim McEleny	Appointed 15/08/2023.
Kay Clark	Resigned 15/08/2023. Appointed 27/09/2023
Paul Findlay	Appointed 24/04/2023. Resigned 25/03/2024
Alasdair Weir	Appointed 24/04/2023. Resigned 25/03/2024
Vivienne Hearton	Resigned 24/04/2023
Lorna Lyle	Appointed 15/08/2023. Resigned 15/01/2024
Ross Ahlfeld	Resigned 24/04/2023
Lucy Neilson	Resigned 25/03/2024
Shelly McIlroy	Stood down 15/08/2023
Andrew Shields	Co-opted 24/06/2024

#### Executive Officers

Nick Jardine	Chief Executive Officer
Brian Praties	Development & Asset Management Manager. Resigned 28/04/2023
Hazel Aitken	Director of Housing. Retired 28/04/2023
Julie McEwan	Director of Housing. Appointed 01/05/2023
Suk Hopper	Director of Property Services
Kes Cameron	Director of Finance

#### Registered Office

40 West Stewart Street  
Greenock  
PA15 1SH

#### External Auditors

Alexander Sloan LLP  
Accountants & Business Advisers  
180 St Vincent Street  
Glasgow  
G2 5SG

#### Internal Auditors

TIAA  
Artillery House, Fort Fareham  
Newgate Lane  
Fareham  
PO14 1AH

#### Bankers

Royal Bank of Scotland  
Cathcart Street  
Greenock  
PA15 1BA

#### Solicitors

Patten & Prentice  
1 Ardgowan Square  
Greenock  
PA16 8PP

# OAK TREE HOUSING ASSOCIATION LIMITED

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## MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS

### FOR THE YEAR ENDED 31 MARCH 2024 (continued)

**Solicitors**

BTO Solicitors LLP  
48 St Vincent Street  
Glasgow  
G2 5HS

**Solicitors**

TC Young  
7 West George Street  
Glasgow  
G2 1BA

# OAK TREE HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE

### FOR THE YEAR ENDED 31 MARCH 2024

The Management Committee presents its report and the financial statements for the year ended 31 March 2024.

#### **Legal Status**

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No 2232RS), the Scottish Housing Regulator as a registered social landlord (No. HCB137) under the Housing (Scotland) Act 2010 and is a registered Scottish Charity with the charity number SC045300.

#### **Principal Activities**

The principal activities of the Association are the provision and management of affordable rented accommodation.

1. providing, constructing, improving and managing land, accommodation and associated facilities and providing care;
2. providing or arranging home maintenance, repair and improvement services and providing facilities and services for the benefit of such people either exclusively for them or together with other persons;
3. undertaking any activities which are charitable, allowed under section 24 of the Housing (Scotland) Act 2010, including any statutory amendment or re-enactment of the provisions of this section from time to time being in force and;
4. carrying on any other charitable activities permitted to registered social landlords from time to time.

#### **Review of Business and Future Developments**

The past year continued to be challenging for the sector given the unstable economy and the cost of living crisis facing our customers.

This was the final year of our current business plan, with the last 2 years seeing the Association deliver on the promises made and ensure the Association remains in good financial health with a strong leadership team.

The Association returned to a full planned and cyclical maintenance programme during 2023/24, following reduced services during the covid-19 pandemic.

Following various contractor issues and delays since the covid-19 pandemic the Association set up its own local contractor framework during 2023/24 for our reactive maintenance service. This has provided work for local contractors and has been successful so far, with performance being monitored regularly.

# OAK TREE HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE

### FOR THE YEAR ENDED 31 MARCH 2024

#### Review of Business and Future Developments (Contd.)

Following the end of a highly successful funded project, Pathways to Construction, 2023/24 seen the start of a 2-year pilot to bring our landscaping services in house, which will deliver the open space maintenance across all our stock. The service provided local jobs, improved the service we deliver and has been receiving positive feedback from both staff and customers. Ahead of the second year of the pilot, the team are now fully resourced, equipped and trained to deliver the service to its full potential. The pilot will be assessed in detail over the coming year to determine if it is a cost-effective way to deliver the service.

During 2023/24 we worked with Inverclyde Council and the Scottish Government to successfully let 17 of our refurbished units as part of the Ukrainian Resettlement Scheme. This has been rewarding for the Association, ensuring the resettled families feel safe and secure in their new homes.

We are still working on the plan to complete the Strone Farm development site of 15 units, following various complications and delays since the original contractor went into administration during May 2021. This is an ongoing situation that will hopefully be resolved during 2024/25.

Along with Cloch and Larkfield Housing Associations we continued to successfully run the Inverclyde Common Housing Register and provided joint support to our partners at Starter Packs and Financial Fitness. We took part in the development of a Community Investment Strategy with Community Links Scotland, to help identify the priority areas and initiatives for the Associations Wider Action work moving forward.

We continue to let out an area of our office building to our local charity partners Financial Fitness, who offer a variety of financial advice services to our tenants and across Inverclyde.

2023/24 was another successful trading year for Oak Tree Housing Association. The Association made an operating surplus of £2.42M. The operating surplus was reduced by 382k relating to net interest, other finance charges and impairment/losses on sale of assets. A further adjustment was made to other comprehensive income for a movement of £620k associated with The Pension Trust's pension plan valuation, however this is a non-cash movement which is reviewed annually, (*actuarial loss of £620k compared to £586k in 2022/23*). Total turnover was £12.6M, (2022/23 - £11.7M) with Operating costs of £10.2M, (202/23 - £9.9M).

Going forward, the Association anticipates another busy year. Our Business Plan covering 2024 – 2027 will start and a new Chief Executive Officer (CEO) will join the Association during the second half of the financial year, following the retiral of the current CEO after 32 years in post.

# OAK TREE HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE

### FOR THE YEAR ENDED 31 MARCH 2024

#### **Review of Business and Future Developments (Contd.)**

We hope to finalise the plans for the Strone Farm Development site as well as continue to deliver our planned maintenance programme. We are considering the appointment of a Community Engagement Officer to ensure we continue to deliver high quality and customer led services.

Treasury Management (the management of our cash and loans) will be a key focus for the Association this year. Ensuring we maximise interest income and minimise borrowing costs, following three fixed loan rates coming to an end during March 2024.

We will continue to welcome customers to our offices and consult on service improvements to our tenants and the communities we serve. We have a joint tenant satisfaction survey being undertaken during 2024/25 with our partners at Larkfield Housing Association.

As part of our Wider Action activities, we are committed to delivering the Community Investment Strategy, as well as delivering on a key initiative in partnership with Women's Aid, in one of our harder to let areas.

We will continue to focus on improvements to customer services through better use of information technology. This will include a project to review our current housing management system (which is the software we use for all the associations transactions, including repairs, rents, planned maintenance, factoring and finance) to ensure it is still fit for purpose.

Oak Tree have a strong team and are in good financial health ahead of a new CEO starting. We hope the new CEO comes in with a clear vision for the future and continues to grow Oak Tree from strength to strength, putting Oak Tree on the map as Inverclyde's leading Housing Association.

# OAK TREE HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE

### FOR THE YEAR ENDED 31 MARCH 2024

#### **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. 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 Management Committee.

The members of the Management Committee 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 Management Committee's Responsibilities**

The Co-operative and Community Benefit Societies Act 2014 requires the Management Committee to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. 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 2024. It 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. It is also responsible for ensuring the Association's suppliers are paid promptly.

#### **Going Concern**

Based on its budgetary and forecasting processes the Management Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future; therefore, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.



# OAK TREE HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE

### FOR THE YEAR ENDED 31 MARCH 2024

#### 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;
- 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 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 Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared 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;
- 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 end 31 March 2024. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

# OAK TREE HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2024

### Disclosure of Information to the Auditor

The members of the Management Committee at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

### Auditor

A resolution to reappoint the Auditors, Alexander Sloan LLP, Accountants and Business Advisers, will be proposed at the Annual General Meeting.

By order of the Management Committee



**June Glancy**

Secretary

DATE 05 August 2024

# OAK TREE HOUSING ASSOCIATION LIMITED

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## REPORT BY THE AUDITORS TO THE MEMBERS OF OAK TREE HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the financial statements, we have reviewed your statement on page 7 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

### Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

### Opinion

In our opinion the Statement of Internal Financial Control on page 7 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

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



**ALEXANDER SLOAN LLP**  
Accountants and Business Advisers  
Statutory Auditors  
GLASGOW  
DATE 05 August 2024



# OAK TREE HOUSING ASSOCIATION LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024

### Opinion

We have audited the financial statements of Oak Tree Housing Association Limited (the 'Association') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2024 and of the surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024 issued by the Scottish Housing Regulator.

In our opinion the exemption granted by the Financial Conduct Authority from the requirement to prepare Group Accounts is applicable as the amounts involved are not material.

### Basis of 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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.

# OAK TREE HOUSING ASSOCIATION LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (continued)

### Other Information

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

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

We have nothing to report in this regard.

### Matters on which we are required to report by exception

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

- proper books of account have not been kept by the Association in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation;
- the Statement of Comprehensive Income and Statement of Financial Position are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of the Management Committee

As explained more fully in the statement of Management Committee's responsibilities as set out on page 6, the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give true and fair view, and for such internal control as the Management Committee determines is necessary to enable the preparation of the 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.

# OAK TREE HOUSING ASSOCIATION LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (continued)

### **Auditor's responsibilities for the audit of the financial statements**

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

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

### **The extent to which the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and 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 gained an understanding of the legal and regulatory framework applicable to the Association through discussions with management, and from our wider 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 (and related regulations), the Housing (Scotland) Act 2010 and other laws and regulations applicable to a registered social housing provider in Scotland. We also considered the risks of non-compliance with the other requirements imposed by the Scottish Housing Regulator and we considered the extent to which non-compliance might have a material effect on the financial statements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; 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.

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 management 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.

# OAK TREE HOUSING ASSOCIATION LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024 (continued)

### The extent to which the audit was considered capable of detecting irregularities including fraud (Contd.)

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 set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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;
- reviewing the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing the Association's Assurance Statement and associated supporting information; and
- reviewing correspondence with the Scottish Housing Regulator.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

### Use of our Report

This report is made solely to the Association's members as a body, in accordance with Part 7 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 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.



**ALEXANDER SLOAN LLP**  
Accountants and Business Advisers  
Statutory Auditors  
GLASGOW  
DATE 05 August 2024



# OAK TREE HOUSING ASSOCIATION LIMITED

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

	Notes	2024		2023	
		£	£	£	£
Revenue	2		12,599,556		11,724,747
Operating costs	2		10,174,847		9,897,609
<b>OPERATING SURPLUS</b>			<u>2,424,709</u>		<u>1,827,138</u>
Gain on sale of housing stock	7	96,973		119,710	
Movement in fair value of investments	28	(31,450)		-	
Interest receivable and other income		141,669		31,123	
Interest payable and similar charges	8	(532,157)		(365,980)	
Other Finance income/(charges)	11	<u>(57,482)</u>		<u>(50,390)</u>	
			<u>(382,447)</u>		<u>(265,537)</u>
<b>SURPLUS FOR THE YEAR</b>			<b>2,042,262</b>		<b>1,561,601</b>
<b>Other comprehensive income</b>					
Actuarial gains/(losses) on defined benefit pension plan	22		<u>(620,000)</u>		<u>(586,000)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>			<b><u>1,422,262</u></b>		<b><u>975,601</u></b>

The results relate wholly to continuing activities.

The notes on pages 18 to 38 form an integral part of these financial statements.



# OAK TREE HOUSING ASSOCIATION LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
<b>NON-CURRENT ASSETS</b>					
Housing properties - depreciated cost	12		108,660,926		104,314,399
Other tangible assets	12		1,991,276		2,050,371
Investments	13		126,001		92,501
			<u>110,778,203</u>		<u>106,457,271</u>
<b>CURRENT ASSETS</b>					
Receivables	14	496,151		612,058	
Investments	15	2,557,730		2,036,219	
Cash and cash equivalents	16	2,713,655		4,037,187	
		<u>5,767,536</u>		<u>6,685,464</u>	
<b>CREDITORS: Amounts falling due within one year</b>	17	<u>(2,537,096)</u>		<u>(3,154,860)</u>	
<b>NET CURRENT ASSETS</b>			<u>3,230,440</u>		<u>3,530,604</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			114,008,643		109,987,875
<b>CREDITORS: Amounts falling due after more than one year</b>	18		(14,850,993)		(17,275,781)
<b>PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Scottish housing association pension scheme	22	<u>(1,117,000)</u>		<u>(474,000)</u>	
			(1,117,000)		(474,000)
<b>DEFERRED INCOME</b>					
Social housing grants	20	(63,821,219)		(59,432,204)	
Other grants	20	<u>(253,142)</u>		<u>(261,871)</u>	
			<u>(64,074,361)</u>		<u>(59,694,075)</u>
<b>NET ASSETS</b>			<u><b>33,966,289</b></u>		<u><b>32,544,019</b></u>
<b>EQUITY</b>					
Share capital	21		201		193
Revenue reserves			35,083,088		33,017,826
Pension reserves			(1,117,000)		(474,000)
			<u><b>33,966,289</b></u>		<u><b>32,544,019</b></u>

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 5 August 2024.

**Chairperson**

**Secretary**

**Committee Member**

The notes on pages 18 to 38 form an integral part of these financial statements.

# OAK TREE HOUSING ASSOCIATION LIMITED

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

	Notes	2024	2023
		£	£
<b>Surplus for the Year</b>		2,042,262	1,561,601
<i>Adjustments for non-cash items:</i>			
Depreciation of tangible fixed assets	3,800,493	3,570,010	
Amortisation of capital grants	20 (2,364,995)	(2,216,529)	
Non-cash adjustments to pension provisions	23,000	(164,000)	
Change in market value of investments	(14,750)	-	
Share capital written off	21 (9)	(5)	
		<u>1,443,739</u>	<u>1,189,476</u>
Interest receivable		(141,669)	(31,123)
Interest payable	8	<u>532,157</u>	<u>365,980</u>
<b>Operating cash flows before movements in working capital</b>		3,876,489	3,085,934
Change in debtors	116,801	493,042	
Change in creditors	(422,798)	(1,019,669)	
		<u>(305,997)</u>	<u>(526,627)</u>
<b>Net cash inflow from operating activities</b>		3,570,492	2,559,307
<b>Investing Activities</b>			
Acquisition and construction of properties	(1,363,115)	(3,835,131)	
Purchase of other fixed assets	(72,095)	(24,075)	
Social housing grant repaid	(67,355)	(398,157)	
Changes on short term deposits with banks	(521,511)	(415,642)	
Proceeds on disposal of housing properties	141,171	113,750	
<b>Net cash outflow from investing activities</b>		(1,882,905)	(4,559,255)
<b>Financing Activities</b>			
Loan Advances Received	-	4,000,000	
Interest received on cash and cash equivalents	140,775	27,032	
Interest paid on loans	(512,773)	(393,759)	
Loan principal repayments	(2,639,138)	(1,179,845)	
Share capital issued	21 17	4	
<b>Net cash (outflow) / inflow from financing activities</b>		(3,011,119)	2,453,432
<b>(decrease)/increase in cash</b>	23	(1,323,532)	453,484
<b>Opening cash &amp; cash equivalents</b>		4,037,187	3,583,703
<b>Closing cash &amp; cash equivalents</b>		<u>2,713,655</u>	<u>4,037,187</u>
<b>Cash and cash equivalents as at 31 March</b>			
Cash	23	2,713,655	4,037,187
		<u>2,713,655</u>	<u>4,037,187</u>

The notes on pages 18 to 38 form an integral part of these financial statements.

# OAK TREE HOUSING ASSOCIATION LIMITED

## STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2024

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
<b>Balance as at 1 April 2022</b>	194	(52,000)	31,620,225	31,568,419
Issue of Shares	4	-	-	4
Cancellation of Shares	(5)	-	-	(5)
Other comprehensive income	-	(586,000)	-	(586,000)
Other movements	-	164,000	(164,000)	-
Surplus for the year	-	-	1,561,601	1,561,601
<b>Balance as at 31 March 2023</b>	<b>193</b>	<b>(474,000)</b>	<b>33,017,826</b>	<b>32,544,019</b>
<b>Balance as at 1 April 2023</b>	193	(474,000)	33,017,826	32,544,019
Issue of Shares	17	-	-	17
Cancellation of Shares	(9)	-	-	(9)
Other comprehensive income	-	(620,000)	-	(620,000)
Other movements	-	(23,000)	23,000	-
Surplus for the year	-	-	2,042,262	2,042,262
<b>Balance as at 31 March 2024</b>	<b>201</b>	<b>(1,117,000)</b>	<b>35,083,088</b>	<b>33,966,289</b>

The notes on pages 18 to 38 form an integral part of these financial statements.

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS

### 1. PRINCIPAL ACCOUNTING POLICIES

#### **Statement of Compliance and Basis of Accounting**

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods beginning on or after 1 January 2019. They comply with the Determination of Accounting Requirements 2024. A summary of the principal accounting policies is set out below:

#### **Basis of Consolidation**

The financial statements for Oak Tree Housing Association present information about it as an individual undertaking and not about the group.

#### **Revenue**

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with expenditure as it is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met.

Government grants are released to income over the expected useful life of the asset to which they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

#### **Retirement Benefits**

The Association participates in the Scottish Housing Association Pension Scheme (SHAPS) a multi-employer defined benefit scheme. 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 organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association also participates in the SHAPS defined contribution scheme. Contributions to defined contribution plans are recognised as an employee benefit expense when they are due.

#### **Going Concern**

On the basis that the Management Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, the Association has adopted the going concern basis of accounting in preparing these financial statements.

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

##### Housing Properties

Housing properties are held for the provision of social housing. Housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes acquisition of land and buildings and development cost. The Association depreciates housing properties over the useful life of each major component. Housing under construction and land are not depreciated.

<i>Component</i>	<i>Useful Economic Life</i>
Structure	Over 50 years
Windows	Over 30 years
External Render	Over 40 years
Internal Doors	Over 40 years
Roofs	Over 60 years
Radiators & Pipes	Over 30 years
Rewire	Over 30 years
Parking Areas	Over 30 years
Bathrooms	Over 30 years
External Doors	Over 20 years
Boiler & Flush	Over 15 years
Door Entry System	Over 10 years
Kitchens	Over 15 years
Play Areas	Over 5 years

##### Depreciation and Impairment of Other Tangible Assets

Non-current assets are stated at cost less accumulated depreciation. Depreciation is charged over the expected economic useful lives of the assets at the following annual rates:

<i>Asset Category</i>	<i>Depreciation Rate</i>
Office Premises	2.5% Straight Line
Furniture and Fittings	20% Reducing Balance
Computer Equipment	25% Straight Line
Office Equipment	20% Reducing Balance

The carrying values of non-current assets are reviewed for impairment at the end of each reporting period.

##### Social Housing Grants and Other Capital Grants

Social housing grants and other capital grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which they relate.

Social housing grant attributed to individual components is written off to the statement of comprehensive income when these components are replaced.

Although social housing grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

##### **Sales Of Housing Properties**

First tranche Shared Ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the Statement of Comprehensive Income.

Disposals under shared equity schemes are accounted for in the Statement of Comprehensive Income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

##### **Taxation**

The Association is a Scottish Charity and is not liable to taxation on its charitable activities.

##### **Leases**

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 or the term of the lease whichever is shorter.

##### **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 material reduction in future maintenance costs, or a significant extension of the life of the property.

##### **VAT**

The Association is VAT registered but the substantial proportion of its income is exempt for VAT purposes. As a result most of the VAT paid is not recovered and therefore expenditure is shown inclusive of VAT.

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

#### Key Judgements and estimates made in the application of Accounting Policies

The preparation of financial statements requires the use of certain accounting judgements and accounting estimates. It also requires the the Association to exercise judgement in applying the it's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below.

#### Key Judgements

##### *a) Categorisation of Housing Properties*

In the judgement of the Management Committee the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

##### *b) Identification of cash generating units*

The Management Committee considers its cash-generating units to be the schemes in which it manages its housing property for asset management purposes.

##### *c) Pension Liability*

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. The Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method. In May 2022 the Association was made aware of a potential increase in liabilities. No additional liability has been recognised. More information on this is contained in Note 30.

#### Estimation Uncertainty

##### *a) Rent Arrears - Bad Debt Provision*

The Association assesses the recoverability of rent arrears through a detailed assessment process which considers tenant payment history, arrangements in place and court action.

##### *b) Life Cycle of Components*

The Association estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

##### *c) Useful life of properties, plant and equipment*

The Association assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this assessment.

##### *d) Costs of shared ownership*

The Association allocates costs to shared ownership properties on an percentage basis split across the number of properties the Association owns.

##### *e) Defined pension liability*

In determining the value of the Association's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds.

##### *f) Allocation of share of assets and liabilities for multi-employer scheme*

Judgements in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi employer pension scheme and estimations performed by the Pensions Trust.

# OAK TREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

## 2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

		2024			2023		
	Notes	Turnover	Operating costs	Operating surplus / (deficit)	Turnover	Operating costs	Operating surplus / (deficit)
		£	£	£	£	£	£
Affordable letting activities	3	12,185,770	9,742,525	2,443,245	11,281,866	9,441,182	1,840,684
Other Activities	4	413,786	432,322	(18,536)	442,881	456,427	(13,546)
<b>Total</b>		<b>12,599,556</b>	<b>10,174,847</b>	<b>2,424,709</b>	<b>11,724,747</b>	<b>9,897,609</b>	<b>1,827,138</b>

## 3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing	Supported Housing	Shared Ownership	2024 Total	2023 Total
	£	£	£	£	£
<b>Revenue from Lettings</b>					
Rent receivable net of service charges	9,165,849	286,116	280,070	9,732,035	8,961,783
Service charges receivable	139,451	19,525	9,218	168,194	146,553
<b>Gross income from rent and service charges</b>	<b>9,305,300</b>	<b>305,641</b>	<b>289,288</b>	<b>9,900,229</b>	<b>9,108,336</b>
Less: Rent losses from voids	173,907	15,658	-	189,565	266,006
<b>Income from rents and service charges</b>	<b>9,131,393</b>	<b>289,983</b>	<b>289,288</b>	<b>9,710,664</b>	<b>8,842,330</b>
Grants released from deferred income	2,207,139	71,286	86,571	2,364,996	2,216,530
Revenue grants from Scottish Ministers	110,110	-	-	110,110	223,006
<b>Total turnover from affordable letting activities</b>	<b>11,448,642</b>	<b>361,269</b>	<b>375,859</b>	<b>12,185,770</b>	<b>11,281,866</b>
<b>Expenditure on affordable letting activities</b>					
Management and maintenance administration costs	2,672,902	83,436	81,673	2,838,011	2,808,701
Service costs	302,107	37,445	18,384	357,936	269,136
Planned and cyclical maintenance, including major	1,113,830	14,960	-	1,128,790	1,471,633
Reactive maintenance costs	1,629,475	49,242	-	1,678,717	1,331,496
Bad Debts - rents and service charges	50,766	252	-	51,018	47,358
Depreciation of affordable let properties	3,459,261	112,785	116,007	3,688,053	3,512,858
<b>Operating costs of affordable letting activities</b>	<b>9,228,341</b>	<b>298,120</b>	<b>216,064</b>	<b>9,742,525</b>	<b>9,441,182</b>
<b>Operating surplus on affordable letting activities</b>	<b>2,220,301</b>	<b>63,149</b>	<b>159,795</b>	<b>2,443,245</b>	<b>1,840,684</b>
<b>2023</b>	<b>1,590,837</b>	<b>99,778</b>	<b>150,069</b>		



# OAK TREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 4. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

	Grants from Scottish Ministers	Other revenue grants	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2024	Operating surplus / (deficit) 2023
	£	£	£	£	£	£	£	£
Factoring	-	-	222,674	222,674	27,171	222,674	(27,171)	(5,937)
Donation from Subsidiary	-	-	16,650	16,650	-	-	16,650	-
Wider role activities	-	-	124,270	124,270	-	172,961	(48,691)	25,298
Common Housing Register	-	-	3,376	3,376	-	6,050	(2,674)	(39,287)
Investment property activities	-	-	46,816	46,816	-	3,466	43,350	6,380
<b>Total From Other Activities</b>	<b>-</b>	<b>-</b>	<b>413,786</b>	<b>413,786</b>	<b>27,171</b>	<b>405,151</b>	<b>(18,536)</b>	<b>(13,546)</b>
<b>2023</b>	<b>-</b>	<b>-</b>	<b>442,881</b>	<b>442,881</b>	<b>5,937</b>	<b>450,490</b>	<b>(13,546)</b>	

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5. OFFICERS' EMOLUMENTS

	2024 £	2023 £
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	315,088	354,331
Pension contributions made on behalf on Officers with emoluments greater than £60,000	41,612	54,594
Compensation payable to Officers for loss of office	-	62,710
Emoluments payable to Chief Executive Officer (excluding pension contributions)	106,232	121,422
Pension contributions paid on behalf of the Chief Executive Officer	14,419	16,877
Total emoluments payable to the Chief Executive Officer	120,651	138,299
Total emoluments paid to key management personnel	375,055	458,384

The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-

	Number	Number
£60,001 to £70,000	-	-
£70,001 to £80,000	2	3
£80,001 to £90,000	1	1
£100,001 to £110,000	-	1
£120,000 to £130,000	1	-

### 6. EMPLOYEE INFORMATION

	2024 No.	2023 No.
Average monthly number of full time equivalent persons employed during the year	41	36
Average total number of employees employed during the year	48	42
Staff costs were:	£	£
Wages and salaries	1,558,725	1,725,447
National insurance costs	151,839	160,327
Pension costs	213,956	214,380
Temporary, agency and seconded staff	20,998	33,694
	1,945,518	2,133,848

Included within Pension Costs above, is an amount of £14,348 paid towards the past service deficit within the year and £199,608 for annual pension contributions.

# OAK TREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

## 7. GAIN ON SALE OF HOUSING STOCK

	2024	2023
	£	£
Sales proceeds	140,316	113,750
Release of over accrual of historic HAG repayments	-	106,116
Cost of sales	<u>(43,343)</u>	<u>(100,156)</u>
Gain on sale of housing stock	<u>96,973</u>	<u>119,710</u>

## 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2024	2023
	£	£
On bank loans and overdrafts	<u>532,157</u>	<u>365,980</u>

## 9. SURPLUS FOR THE YEAR

	2024	2023
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	3,661,872	3,537,583
Auditors' remuneration - audit services	14,700	10,200
Operating lease rentals - other	<u>22,082</u>	<u>7,105</u>

## 10. CORPORATION TAX

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities.

## 11. OTHER FINANCE INCOME / (CHARGES)

	2024	2023
	£	£
Non Utilisation and Loan Set-Up Fees	(34,482)	(51,390)
Net interest on pension obligations	<u>(23,000)</u>	<u>1,000</u>
	<u>(57,482)</u>	<u>(50,390)</u>

# OAK TREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 12. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
<b>COST</b>				
At 1 April 2023	151,605,691	1,411,793	5,273,464	158,290,948
Additions	8,073,257	102,494	-	8,175,751
Disposals	(1,080,909)	-	(26,250)	(1,107,159)
Transfers	272,917	(249,167)	(23,750)	-
At 31 March 2024	<u>158,870,956</u>	<u>1,265,120</u>	<u>5,223,464</u>	<u>165,359,540</u>
<b>DEPRECIATION</b>				
At 1 April 2023	51,816,859	-	2,159,690	53,976,549
Charge for Year	3,433,425	-	116,007	3,549,432
Transfers	13,194	-	(13,194)	-
Disposals	(819,200)	-	(8,167)	(827,367)
At 31 March 2024	<u>54,444,278</u>	<u>-</u>	<u>2,254,336</u>	<u>56,698,614</u>
<b>NET BOOK VALUE</b>				
At 31 March 2024	<u>104,426,678</u>	<u>1,265,120</u>	<u>2,969,128</u>	<u>108,660,926</u>
At 31 March 2023	<u>99,788,832</u>	<u>1,411,793</u>	<u>3,113,774</u>	<u>104,314,399</u>

Expenditure on Existing Properties	2024		2023	
	<i>Component replacement</i> £	<i>Improvement / Repairs</i> £	<i>Component replacement</i> £	<i>Improvement / Repairs</i> £
Amounts capitalised	1,317,405	-	482,331	-
Amounts charged to the statement of comprehensive income	-	2,807,507	-	2,803,129
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £66,659,107 (2023 - £68,096,840).

# OAK TREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

## 12. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Machinery & Equipment £	Computer Equipment £	Total £
<b>COST</b>					
At 1 April 2023	2,332,629	52,479	61,400	211,688	2,658,196
Additions	21,433	2,311	131	48,220	72,095
Disposals	-	-	-	(55,105)	(55,105)
Eliminated on transfer	(25,000)	-	-	-	(25,000)
	<u>2,329,062</u>	<u>54,790</u>	<u>61,531</u>	<u>204,803</u>	<u>2,650,186</u>
At 31 March 2024	2,329,062	54,790	61,531	204,803	2,650,186
<b>DEPRECIATION</b>					
At 1 April 2023	341,804	40,824	41,282	183,915	607,825
Charge for year	78,546	2,798	4,050	27,046	112,440
Eliminated on disposals	-	-	-	(55,105)	(55,105)
Eliminated on transfer	(6,250)	-	-	-	(6,250)
	<u>414,100</u>	<u>43,622</u>	<u>45,332</u>	<u>155,856</u>	<u>658,910</u>
At 31 March 2024	414,100	43,622	45,332	155,856	658,910
<b>NET BOOK VALUE</b>					
At 31 March 2024	<u>1,914,962</u>	<u>11,168</u>	<u>16,199</u>	<u>48,947</u>	<u>1,991,276</u>
At 31 March 2023	<u>1,990,825</u>	<u>11,655</u>	<u>20,118</u>	<u>27,773</u>	<u>2,050,371</u>

# OAK TREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

## 13. FIXED ASSET INVESTMENTS

### Investment properties

	2024	2023
	£	£
At 1 April 2023	92,500	92,500
Investment Property - Revaluations	14,750	-
Investment Property - Transfer from Fixed Assets	18,750	-
At 31 March 2024	<u>126,000</u>	<u>92,500</u>

Investment properties were valued by independent qualified surveyors on 26 January 2024. There was a transfer of one property in the year from Held for letting to Investment properties due to a change in the use of the property.

	2024	2023
	£	£
<b>Subsidiary undertakings</b>	<u>1</u>	<u>1</u>

In the opinion of the Management Committee the aggregate value of the assets of the subsidiary is not less than the aggregate of the amounts at which those assets are stated in the Association's statement of financial position.

### Subsidiary Undertakings

Oak Tree Housing Association Limited has the following wholly owned subsidiary undertakings.

The relationship between the Association and the subsidiary is set out in an independence agreement between both parties.

	2024		2023	
	<i>Reserves</i>	<i>Profit /</i>	<i>Reserves</i>	<i>Profit /</i>
	£	(Loss)	£	(Loss)
		£		£
Oak Tree Housing Initiatives Ltd	<u>259</u>	<u>(1,258)</u>	<u>18,167</u>	<u>(2,333)</u>

# OAK TREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

<b>14. RECEIVABLES</b>		
	<b>2024</b>	<b>2023</b>
	£	£
Gross arrears of rent & service charges	337,270	303,603
<b>Less:</b> Provision for doubtful debts	(211,605)	(178,854)
<i>Net arrears of rent and service charges</i>	125,665	124,749
Other receivables	370,486	487,309
	<u>496,151</u>	<u>612,058</u>
<b>15. CURRENT ASSET INVESTMENTS</b>		
	<b>2024</b>	<b>2023</b>
	£	£
Short term deposits	2,557,730	2,036,219
	<u>2,557,730</u>	<u>2,036,219</u>
<b>16. CASH AND CASH EQUIVALENTS</b>		
	<b>2024</b>	<b>2023</b>
	£	£
Cash at bank and in hand	2,713,655	4,037,187
	<u>2,713,655</u>	<u>4,037,187</u>
<b>17. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
	<b>2024</b>	<b>2023</b>
	£	£
Bank loans	1,061,810	1,276,160
Trade payables	365,934	870,620
Rent received in advance	387,866	377,414
Other taxation and social security	42,680	54,036
Other payables	90,613	113,639
Accruals and deferred income	588,193	462,991
	<u>2,537,096</u>	<u>3,154,860</u>
<b>18. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
	<b>2024</b>	<b>2023</b>
	£	£
Bank loans	14,850,993	17,275,781
	<u>14,850,993</u>	<u>17,275,781</u>

# OAK TREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

## 19. DEBT ANALYSIS - BORROWINGS

	2024	2023
	£	£
<b>Bank Loans</b>		
Amounts due within one year	1,061,810	1,276,160
Amounts due in one year or more but less than two years	930,300	1,180,100
Amounts due in two years or more but less than five years	7,138,900	8,803,000
Amounts due in more than five years	6,781,793	7,292,681
	<u>15,912,803</u>	<u>18,551,941</u>

The Association has a number of bank loans the principal terms of which are as follows:

<b>Lender</b>	<b>Number of Properties Secured</b>	<b>Effective Interest Rate</b>	<b>Maturity (Year) Variable or Fixed</b>
Nationwide	152	1.0%	2036 Fixed
Nationwide	311	1.9%	2038 Variable
Nationwide	237	1.9%	2033 Variable
Nationwide	525	1.5%	2033 Variable
Royal Bank of Scotland	234	7.1%	2028 Variable
Scottish Government	-	0.0%	2025 Interest Free

All the Association's bank borrowings are repayable on a monthly basis with the principal being amortised over the term of the loans.



# OAK TREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 20. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
<b>Capital grants received</b>			
At 1 April 2023	101,883,434	392,800	102,276,234
Additions in the year	6,812,636	-	6,812,636
Eliminated on disposal	(131,681)	-	(131,681)
At 31 March 2024	<u>108,564,389</u>	<u>392,800</u>	<u>108,957,189</u>
<b>Amortisation</b>			
At 1 April 2023	42,451,230	130,929	42,582,159
Amortisation in year	2,356,266	8,729	2,364,995
Eliminated on disposal	(64,326)	-	(64,326)
At 31 March 2024	<u>44,743,170</u>	<u>139,658</u>	<u>44,882,828</u>
<b>Net book value</b>			
At 31 March 2024	<u>63,821,219</u>	<u>253,142</u>	<u>64,074,361</u>
At 31 March 2023	<u>59,432,204</u>	<u>261,871</u>	<u>59,694,075</u>

This is expected to be released to the Statement of Comprehensive Income in the following years:

	2024 £	2023 £
Amounts due within one year	2,364,994	2,216,528
Amounts due in more than one year	61,709,371	57,477,547
	<u>64,074,365</u>	<u>59,694,075</u>

## 21. SHARE CAPITAL

	2024 £	2023 £
<b>Shares of £1 each, issued and fully paid</b>		
At 1 April	193	194
Issued in year	17	4
Cancelled in year	(9)	(5)
At 31 March	<u>201</u>	<u>193</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.

# OAK TREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 22. RETIREMENT BENEFIT OBLIGATIONS

### Scottish Housing Association Pension Scheme

Oak Tree Housing Association Limited participates in the Scottish Housing Association 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, sets out the framework for funding defined benefit occupational pensions schemes in the UK.

The last valuation of the Scheme was performed as at 30 September 2021 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £1,173m. The valuation revealed a shortfall of assets compared with the value of liabilities of £27m (equivalent to a past service funding level of 98%).

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

### Present values of defined benefit obligation, fair value of assets and defined benefit asset / (liability)

	2024	2023	2022
	£	£	£
Fair value of plan assets	7,793,000	8,583,000	13,698,000
Present value of defined benefit obligation	8,910,000	9,057,000	13,750,000
Surplus / (deficit) in plan	(1,117,000)	(474,000)	(52,000)
Unrecognised surplus	-	-	-
Defined benefit asset / (liability) to be recognised	(1,117,000)	(474,000)	(52,000)

# OAK TREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 22. RETIREMENT BENEFIT OBLIGATIONS (continued)

### Scottish Housing Association Pension Scheme (continued.)

#### Reconciliation of opening and closing balances of the defined benefit obligation

	2024	2023
	£	£
Defined benefit obligation at the start of period	9,057,000	13,750,000
Current service cost	-	-
Expenses	13,000	10,000
Interest expense	434,000	377,000
Contributions by plan participants	-	-
Actuarial losses (gains) due to scheme experience	(154,000)	(562,000)
Actuarial losses (gains) due to changes in demographic assumptions	(50,000)	(192,000)
Actuarial losses (gains) due to changes in financial assumptions	(70,000)	(3,838,000)
Benefits paid and expenses	(320,000)	(488,000)
Defined benefit obligation at the end of period	<u>8,910,000</u>	<u>9,057,000</u>

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

	2024	2023
	£	£
Fair value of plan assets at start of period	8,583,000	13,698,000
Interest income	411,000	378,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(894,000)	(5,178,000)
Contributions by the employer	13,000	173,000
Contributions by plan participants	-	-
Benefits paid and expenses	(320,000)	(488,000)
Fair value of plan assets at the end of period	<u>7,793,000</u>	<u>8,583,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was £(483,000).

# OAK TREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024  
NOTES TO THE FINANCIAL STATEMENTS (continued)

## 22. RETIREMENT BENEFIT OBLIGATIONS (continued)

### Scottish Housing Association Pension Scheme (continued.)

#### Defined benefit costs recognised in the statement of comprehensive income

	2024	2023
	£	£
Current service cost	-	-
Expenses	13,000	10,000
Net interest expense	23,000	(1,000)
	<u>          </u>	<u>          </u>
Defined benefit costs recognised in statement of comprehensive income	36,000	9,000
	<u>          </u>	<u>          </u>

#### Defined benefit costs recognised in the other comprehensive income

	2024	2023
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	(894,000)	(5,178,000)
Experience gains and losses arising on plan liabilities - gain /(loss)	154,000	562,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	50,000	192,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	70,000	3,838,000
	<u>          </u>	<u>          </u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	(620,000)	(586,000)
	<u>          </u>	<u>          </u>
Total amount recognised in other comprehensive income - gain (loss)	(620,000)	(586,000)
	<u>          </u>	<u>          </u>

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 22. RETIREMENT BENEFIT OBLIGATIONS (continued)

#### Scottish Housing Association Pension Scheme (continued.)

##### Assets

	2024 £	2023 £	2022 £
Absolute Return	350,000	117,000	628,000
Alternative Risk Premia	281,000	50,000	566,000
Corporate Bond Fund	-	11,000	866,000
Credit Relative Value	274,000	327,000	439,000
Distressed Opportunities	287,000	264,000	491,000
Emerging Markets Debt	137,000	66,000	510,000
Global Equity	896,000	227,000	2,708,000
High Yield	1,000	43,000	133,000
Opportunistic Credit	-	1,000	48,000
Cash	202,000	36,000	38,000
Infrastructure	746,000	925,000	855,000
Insurance-Linked Securities	48,000	239,000	287,000
Liability Driven Investment	2,818,000	3,635,000	3,314,000
Long Lease Property	58,000	288,000	395,000
Net Current Assets	10,000	19,000	44,000
Over 15 Year Gilts	-	-	6,000
Private Debt	314,000	383,000	345,000
Property	330,000	357,000	355,000
Risk Sharing	468,000	626,000	446,000
Secured Income	260,000	574,000	732,000
Liquid Credit	-	-	88,000
Opportunistic Illiquid Credit	310,000	379,000	454,000
Private Equity	6,000	-	-
Currency Hedging	(3,000)	16,000	(50,000)
Total assets	<u>7,793,000</u>	<u>8,583,000</u>	<u>13,698,000</u>

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

#### Key Assumptions

	2024	2023	2022
Discount Rate	4.9%	4.9%	2.8%
Inflation (RPI)	3.1%	3.2%	3.5%
Inflation (CPI)	2.8%	2.8%	3.2%
Salary Growth	3.8%	3.8%	4.2%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance	75% of maximum allowance

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

	<b>Life expectancy at age 65 (years)</b>
Male retiring in 2024	20.2
Female retiring in 2024	22.7
Male retiring in 2044	21.4
Female retiring in 2044	<u>24.1</u>

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

### 23. CASH FLOWS

#### Reconciliation of net cash flow to movement in net debt

	£	2024 £	£	2023 £
(Decrease) / increase in cash	(1,323,532)		453,484	
Change in liquid resources	521,511		415,642	
Cashflow from change in net debt	<u>2,639,138</u>		<u>(2,820,155)</u>	
Movement in net debt during the year		1,837,117		(1,951,029)
Net debt at 1 April		<u>(12,478,535)</u>		<u>(10,527,506)</u>
Net debt at 31 March		<u>(10,641,418)</u>		<u>(12,478,535)</u>

	At 01 April 2023 £	Cashflows £	Other Changes £	At 31 March 2024 £
Cash and cash equivalents	<u>4,037,187</u>	<u>(1,323,532)</u>	-	<u>2,713,655</u>
Liquid resources	4,037,187	(1,323,532)	-	2,713,655
Debt: Due within one year	2,036,219	521,511	-	2,557,730
Due after more than one year	(1,276,160)	2,639,138	(2,424,788)	(1,061,810)
Net debt	<u>(17,275,781)</u>	<u>-</u>	<u>2,424,788</u>	<u>(14,850,993)</u>
	<u>(12,478,535)</u>	<u>1,837,117</u>	<u>-</u>	<u>(10,641,418)</u>

### 24. CAPITAL COMMITMENTS

	2024 £	2023 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	<u>350,329</u>	<u>368,959</u>

The above commitments will be financed by a mixture of private finance, public grant and the Association's own resources.

### 25. COMMITMENTS UNDER OPERATING LEASES

	2024 £	2023 £
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
<b>Other</b>		
Expiring in the next year	22,758	10,751
Expiring later than one year and not later than five years	<u>15,108</u>	<u>15,986</u>

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 26. DETAILS OF ASSOCIATION

The Association is a Registered Society registered with the Financial Conduct Authority and is domiciled in Scotland.

The Association's principal place of business is 40 West Stewart Street, Greenock, PA15 1SH.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in Inverclyde.

#### 27. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £412 (2023 - £65) in the year by way of reimbursement of expenses. No remuneration is paid to Management Committee members in respect of their duties to the Association.

#### 28. EXCEPTIONAL ITEM

	2024	2023
	£	£
Impairment of Land & Revaluation of Investment Properties	(31,450)	-

Land was revalued following demolition of 72 properties. Resulting in an impairment of £46,200. Investment properties were revalued in the year and increased in value by £14,750. Giving an overall net movement of £31,450 reduction on value.

#### 29. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2024	2023
	No.	No.
General needs	1,820	1,817
Supported housing	55	56
Shared ownership	88	89
	<u>1,963</u>	<u>1,962</u>

#### 30. CONTINGENT LIABILITY

We have been notified by the Trustee of the Scheme 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 has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

# OAK TREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

## 31. RELATED PARTY TRANSACTIONS

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102.

Those members who 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.

Any transactions between the Association and any entity with which a Management Committee member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Management Committee members (and their close family) were as follows:

	<b>2024</b>	<b>2023</b>
	£	£
Rent received from tenants on the Management Committee and their close family members.	<u>28,227</u>	<u>31,915</u>

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £0 (2023 - £701).

Members of the Management Committee who were tenants during the year.	<u>5</u>	<u>5</u>
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The Association have taken advantage of the exemption with FRS 102 from disclosing related party transactions with wholly owned subsidiaries.