

Company registration number SC293302 (Scotland)

**EAST END HOUSING DEVELOPMENT COMPANY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Elizabeth Battersby Brian Barclay Eddie Robertson Anthony Teasdale Hugh McIntosh Donna McGill Elizabeth Pithie	(Appointed 31 October 2022) (Appointed 21 February 2023) (Appointed 21 February 2023)
<b>Secretary</b>	Anthony Teasdale	
<b>Company number</b>	SC293302	
<b>Registered office</b>	Helen McGregor House 65 Pettigrew Street Glasgow United Kingdom G32 7XR	
<b>Auditor</b>	Azets Audit Services Titanium 1 King's Inch Place Renfrewshire United Kingdom PA4 8WF	

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# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

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# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their annual report and financial statements for the year ended 31 March 2023.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Elizabeth Battersby

Brian Barclay

Eddie Robertson

Anthony Teasdale

Hugh McIntosh

(Appointed 31 October 2022)

Donna McGill

(Appointed 21 February 2023)

Elizabeth Pithie

(Appointed 21 February 2023)

Lesley Scoffield

(Resigned 18 June 2023)

Christine Thomson

(Resigned 18 June 2023)

### Auditor

Azets Audit Services have expressed their willingness to continue in office as auditor and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

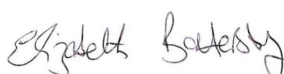
### Statement of disclosure to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### Small companies' exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the board



Elizabeth Battersby

**Director**

8 August 2023

# **EAST END HOUSING DEVELOPMENT COMPANY LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2023***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF EAST END HOUSING DEVELOPMENT COMPANY LIMITED

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#### Opinion

We have audited the financial statements of East End Housing Development Company Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit 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 Companies Act 2006.

#### 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 company'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 directors 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 directors are responsible for the other information contained within the annual report. 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. 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.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF EAST END HOUSING DEVELOPMENT COMPANY LIMITED

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF EAST END HOUSING DEVELOPMENT COMPANY LIMITED

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#### **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 entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity 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 entity that were contrary to applicable laws and regulations, including fraud.

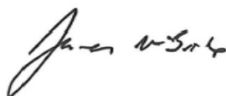
In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**James McBride (Senior Statutory Auditor)**  
For and on behalf of Azets Audit Services

10 August 2023  
Date: .....

**Chartered Accountants**  
**Statutory Auditor**

Titanium 1  
King's Inch Place  
Renfrew  
Renfrewshire  
United Kingdom  
PA4 8WF



# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

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	Notes	2023 £	2022 £
<b>Turnover</b>		273,614	263,975
Cost of sales		(157,940)	(188,585)
<b>Gross profit</b>		115,674	75,390
Administrative expenses		(62,632)	(63,797)
<b>Operating profit</b>		53,042	11,593
Interest payable and similar expenses	<b>3</b>	(36,842)	(33,450)
Increase in fair value of investment properties	<b>4</b>	-	146,000
<b>Profit before taxation</b>		16,200	124,143
Tax on profit	<b>5</b>	(3,465)	(18,716)
<b>Profit for the financial year</b>		12,735	105,427

The notes form part of these financial statements.

# EAST END HOUSING DEVELOPMENT COMPANY LIMITED


## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	6		4,373		5,546
Investment properties	7		815,000		815,000
			<u>819,373</u>		<u>820,546</u>
<b>Current assets</b>					
Debtors	8	32,249		24,801	
Cash at bank and in hand		39,094		44,778	
		<u>71,343</u>		<u>69,579</u>	
<b>Creditors: amounts falling due within one year</b>	9	(34,916)		(48,047)	
<b>Net current assets</b>			<u>36,427</u>		<u>21,532</u>
<b>Total assets less current liabilities</b>			855,800		842,078
<b>Creditors: amounts falling due after more than one year</b>	10		(669,359)		(669,359)
<b>Provisions for liabilities</b>	11		(24,291)		(23,304)
<b>Net assets</b>			<u>162,150</u>		<u>149,415</u>
<b>Capital and reserves</b>					
Called up share capital			1		1
Profit and loss reserves			162,149		149,414
<b>Total equity</b>			<u>162,150</u>		<u>149,415</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 8 August 2023 and are signed on its behalf by:



Elizabeth Battersby  
Director

The notes form part of these financial statements.

Company Registration No. SC293302

# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

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	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 April 2021</b>	1	43,987	43,988
<b>Year ended 31 March 2022:</b>			
Profit and total comprehensive income for the year	-	105,427	105,427
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2022</b>	1	149,414	149,415
<b>Year ended 31 March 2023:</b>			
Profit and total comprehensive income for the year	-	12,735	12,735
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2023</b>	<u>1</u>	<u>162,149</u>	<u>162,150</u>

# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

#### Company information

East End Housing Development Company Limited is a private company limited by shares incorporated in Scotland. The registered office is Helen McGregor House, 65 Pettigrew Street, Glasgow, United Kingdom, G32 7XR.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The directors anticipate that a small loss will be generated in the year ended 31 March 2024 before returning to a profit in the following years. Additionally, the directors are satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus, the directors continue to adopt the going concern basis of preparing the annual financial statements.

#### 1.3 Turnover

Turnover represents gross rents in the year, and are recognised on an accruals basis. Any voids are accounted for in Cost of Sales.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 2 Employees

The Company has no employees other than the directors, who did not receive any remuneration (2022 - £nil).

	2023 Number	2022 Number
Total	-	-

### 3 Interest payable and similar expenses

	2023 £	2022 £
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	36,842	33,450

### 4 Increase in fair value of investment properties

	2023 £	2022 £
<b>Fair value gains/(losses)</b>		
Changes in the fair value of investment properties	-	146,000

### 5 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	2,478	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	987	18,716
Total tax charge	3,465	18,716

# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 5 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	16,200	124,143
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	3,078	23,587
Tax effect of income not taxable in determining taxable profit	-	(27,740)
Gains not taxable	387	-
Other differences	-	17,276
Remeasurement of deferred tax for changes in rate	-	5,593
Taxation charge for the year	3,465	18,716

#### 6 Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 1 April 2022	23,974
Additions	1,621
At 31 March 2023	25,595
<b>Depreciation and impairment</b>	
At 1 April 2022	18,428
Depreciation charged in the year	2,794
At 31 March 2023	21,222
<b>Carrying amount</b>	
At 31 March 2023	4,373
At 31 March 2022	5,546

#### 7 Investment property

	2023 £
<b>Fair value</b>	
At 1 April 2022 and 31 March 2023	815,000



# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 7 Investment property

(Continued)

Investment properties comprise of 13 properties. The fair value of the investment properties have been arrived at on the basis of a desktop valuation carried out at 21 February 2022 by DM Hall Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The directors are satisfied that this is reflective of the fair value at 31 March 2023.

### 8 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	6,289	3,336
Amounts owed by group undertakings	3,137	-
Other debtors	22,823	21,465
	<u>32,249</u>	<u>24,801</u>

### 9 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	77	542
Amounts owed to group undertakings	229	16,957
Corporation tax	2,478	-
Other creditors	24,453	22,988
Accruals and deferred income	7,679	7,560
	<u>34,916</u>	<u>48,047</u>

### 10 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Amounts owed to group undertakings	<u>669,359</u>	<u>669,359</u>

Shettleston Housing Association Limited hold a bond and floating charge over all of the assets of East End Housing Development Company Limited in respect of the amounts outstanding. The loans are repayable in greater than 5 years. Interest is charged at 5.5% per annum.

# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 11 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	<b>Liabilities 2023 £</b>	<b>Liabilities 2022 £</b>
<b>Balances:</b>		
Accelerated capital allowances	-	(5,952)
Fixed asset timing difference	1,093	1,387
Capital gains	23,198	27,869
	<u>24,291</u>	<u>23,304</u>
		<b>2023 £</b>
<b>Movements in the year:</b>		
Liability at 1 April 2022		23,304
Charge to profit or loss		987
		<u>24,291</u>

#### 12 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	<b>2023 £</b>	<b>2022 £</b>
Land and buildings < 1 year	<u>101,945</u>	<u>98,514</u>

# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 13 Related party transactions

##### **Shettleston Housing Association Limited**

Shettleston Housing Association Limited, an entity registered under the Co-operative and Community Benefit Societies Act 2014, owns 1 ordinary £1 share in East End Housing Development Company Limited. This represents a 100% shareholding in East End Development Company Limited.

Shettleston Housing Association Limited is therefore its ultimate parent.

Shettleston Housing Association Limited has provided loans of £669,359 (2022: £669,359) to fund the purchase and modernisation of investment properties. Interest of £36,842 (2022: £33,450) was charged in the year in respect of these loans.

Shettleston Housing Association Limited leases 32 (2022:32) properties to East End Development Company Limited. Lease payments of £98,514 (2022: £94,286) were made by East End Housing Development Company Limited to Shettleston Housing Association Limited in the year. East End Housing Development Company Limited is committed to making payments of £101,945 (2021: £98,514) per annum on a rolling basis.

Shettleston Housing Association Limited collected rental income on behalf of East End Housing Development Company Limited. This was paid over to East End Housing Development Company Limited throughout the year. Services including factoring were provided by the Association with the costs being recharged to East End Housing Development Company Limited.

Shettleston Housing Association Limited provided management services to East End Housing Development Company Limited during the year. The total amount charged for these services during the year amounted to £52,269 (2022: £49,335).

East End Housing Development Company Limited made a gift aid payment of £nil (2022: £nil) to Shettleston Housing Association Limited in the year. The total amount due to Shettleston Housing Association Limited at the year end was £nil (2022: £16,534) and this is included within creditors. £3,137 (2022: £nil) is due from the Association, and this is included within debtors.

##### **Upkeep Shettleston Community Enterprises Limited**

Shettleston Housing Association Limited is also the parent company of Upkeep Shettleston Community Enterprises as it owns 100% of the issued share capital. There were purchases of £16,094 (2022: £56,392) by East End Housing Development Company Limited from Upkeep Shettleston Community Enterprises Limited in the year in respect of maintenance services provided.

The total amount owed to Upkeep Shettleston Community Enterprises Limited at the year end was £229 (2022: £423) and this is included within creditors.

#### 14 Parent company

The ultimate parent entity is Shettleston Housing Association Limited. The registered office and principal place of business is:

Helen McGregor House  
65 Pettigrew Street  
Glasgow  
G32 7XR

There is no ultimate controlling party.

# EAST END HOUSING DEVELOPMENT COMPANY LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

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		2023		2022
	£	£	£	£
<b>Turnover</b>				
Rental income		273,614		263,975
<b>Cost of sales</b>				
<i>Purchases and other direct costs</i>				
Rental voids	1,601		5,829	
Lease of housing unit from parent	98,514		94,285	
Factoring charges	5,720		6,116	
Property repairs and maintenance	45,830		78,334	
Consultancy fees	1,290		-	
Bad and doubtful debts	2,191		1,551	
Depreciation	2,794		2,470	
Total purchases and other direct costs	157,940		188,585	
Total cost of sales		(157,940)		(188,585)
<b>Gross profit</b>	42.28%	115,674	28.56%	75,390
<b>Administrative expenses</b>				
Management charge to parent	52,269		49,335	
Premises insurance	1,216		3,598	
Legal and professional fees	1,976		4,296	
Non audit remuneration paid to the auditors	-		1,000	
Audit fees	6,384		4,500	
Bank charges	774		1,055	
Sundry expenses	13		13	
		(62,632)		(63,797)
<b>Operating profit</b>		53,042		11,593
<b>Interest payable and similar expenses</b>				
Group interest to parent		(36,842)		(33,450)
<b>Other gains and losses</b>				
OGL - Change in fair value of investment properties		-		146,000
<b>Profit before taxation</b>	5.92%	16,200	47.03%	124,143

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