



Cadder Housing Association Limited

Report and Financial Statements

For the year ended 31st March 2010

Registered Housing Association No.HCB 270

FSA Reference No. 2436R(S)

Scottish Charity No. SC036455

CADDER HOUSING ASSOCIATION LIMITED

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CADDER HOUSING ASSOCIATION LIMITED

**COMMITTEE OF MANAGEMENT , EXECUTIVES AND ADVISERS
YEAR ENDED 31st MARCH 2010**

COMMITTEE OF MANAGEMENT

D. Hart	Chairperson (appointed September 2009)
L.Brown	Vice Chairperson
R. Hunter	Secretary
F.Dawson	Treasurer
M.Sutton	
E.Docherty	
R.Sutherland	
Councillor M.Razaq	
J.Meldrum	
F.Danquah	
M. Dawson	appointed September 2009
L.Foulds	
J.Hunter	appointed September 2009
G.Matthew	co-opted November 2009

EXECUTIVE OFFICERS

Thomas Sweeney	Director
Kenneth Mollins	Depute Director
Kevin McAllan	Technical Services Manager

REGISTERED OFFICE

66 Skirsa Street
Cadder
Glasgow
G23 5BA

AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

BANKERS

Royal Bank of Scotland
1944 Maryhill Road
Glasgow
G20 0EQ

FINANCE AGENTS

FMD Financial Services
Ladyloan Place
Glasgow
G15 8LB

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

Harper Macleod LLP

The Ca'd'oro
45 Gordon Street
Glasgow
G1 3PE

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2010

The Committee of Management presents its report and the Financial Statements for the year ended 31st March 2010.

Legal Status

The Association is a registered non-profit making organisation under the Industrial and Provident Societies Act 1965 No.2436R(S). The Association is constituted under its Rule Book. The Association is a registered Scottish Charity with the charity number SC036455.

Principal Activities

The principal activity of the Association is the provision, construction, improvement and management of rented accommodation for people in housing need. The Association is registered with the Financial Services Authority as an Industrial & Provident Society, the Office of the Scottish Charities Regulator (OSCR) as a charity and with the Scottish Government and the Scottish Housing Regulator as a Registered Social Landlord. The results for the year are as shown in the attached income and expenditure account, balance sheet and supporting notes.

Members of Committee of Management

The Members of the Committee of Management during the year to 31 March 2010 are listed on page 1.

At the AGM, one third of all serving members of the committee (if eligible as per the Association's rules) will retire from office and may stand for re-election. The members to retire shall be as stated in the Association Rules, with specific reference to rule no. 40.2.

Executive Team

The Executive Team of Cadder Housing Association Limited (CHA) during the year to 31 March 2010 are listed on page 1.

Corporate Governance

CHA has a Management Committee who are elected by the members of the Association. (See above for details). It is the responsibility of the Committee to undertake the strategy, setting of policy and overall direction for the Association. They also monitor the operational activities of the Association. The members of the Committee of Management are unpaid.

The Executive Team of CHA (as listed on page 1) is responsible for achieving the strategy set, and undertaking the operational activities in line with the policies set.

Our governing body is our Management Committee, which is responsible to the wider membership. Management Committee Members serve in a voluntary capacity and it is recognised that this puts even more onus on staff to ensure that staff set and achieve high standards of professionalism in their work. We take governance very seriously, and in the last year we continued to build on work from previous years which strengthened our governance arrangements. In this context we have in place an established Committee Appraisal system which has led to a rigorous Committee training and development programme delivered over the past year. This will continue and has provided an invaluable tool to the Committee in their discharge of duties and the fulfillment of their Management Committee role.

This report details issues that have arisen during the year relating to the main activities undertaken by CHA.

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Corporate Issues

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

CHA is committed to involving staff in decision making and policy making. In the year just ended staff were fully involved in the Internal Management Plan (IMP) process, the review and subsequent design of the Staff Appraisal System and regular staff meetings were held to keep staff informed of our activities. Staff were also very much involved in the pursuit of achieving the Investors in People Standard.

Review of Business and Future Developments

Performance Management

Service delivery is underpinned by staff performance. This continues to be a high priority for us. In the last year we implemented our staff appraisal system and undertook a staff training needs assessment. We also have a system of mini - IMPs whereby organisational and sectional goals and targets are disaggregated down to each individual staff member. This reinforces our commitment to enhanced performance and provides ownership of the IMP for everyone involved in the organisation's service delivery.

Business Review

Many positive outcomes emerged from the financial year 2009/10 which are reflected in the following text:

- Investors In People - In May 2009 the Association received Investors in People accreditation at the first time of asking. The Assessor made the following observations:

"Cadder HA has a very clear vision of what it is trying to achieve and this is reflected in the various strands of its Internal Management Plan (IMP). This is the key element that holds its management strategy and learning and development plans together through the personalised 'mini IMP's' that it has with its staff. Cadder's IMP is based on a three year cycle with annual updates which are discussed at its 'awayday'. This ensures that staff have an input into the planning process at strategic and operational levels and was confirmed as a very worthwhile exercise by all members of staff.

Cadder's performance is very measurable as there is visible outcomes to many of their actions both in the housing management area via 'voids and arrears', and in the technical areas through response times, housing upgrades and environmental improvements. All staff are very clear regarding what is expected of them and how it fits into the overall plan and reinforces Cadder's ethos of "fully completing each job, and ensuring the standard is as high as possible." There is a very constructive relationship with staff through the 'Cadder Consultative Committee' (CCC) which deals with official issues, and with the area officials of the Union who are consulted prior to major changes in policies."

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Review of Business and Future Developments (Contd.)

- **Management of the Estate and related Employment Activity** - Since 2002 when the estate caretaker service was launched in Cadder with one worker the project has become a major success story. This is not only because of the positive impact on the physical appearance of the estate but on account of the significant employment and training opportunities created. The Association's objectives and how they have been achieved can be explained by the position that the Association wished to have a greater day to day control over the various tasks that were required to achieve an acceptable residential environment in Cadder.

The Association spent large sums on property upkeep and open space maintenance. However it was felt that we could obtain better value for money and produce a higher quality of work with a locally based team. In addition the Association believed that it had the potential to generate new jobs and training opportunities for local people. However we did not anticipate that when the committee of Cadder HA gave its approval to proceed with the early schemes that in 2010 we would have nearly 30 full and temporary employees and that in the 8 years of the estate caretaker service dozens of local people, mostly young adults, would have had valuable work experience and both "on the job" and college training.

The Association is proud of the contribution that the estate caretaker team have made to the environment in Cadder and also that so many people have had real opportunities. We have helped lots of people develop skills and workplace discipline and build confidence. Many have gone on to employment elsewhere or further education and of course we've created a core of full time staff here at the Association. The major influences in sustaining the momentum of Cadder HA's maintenance, job creation and training schemes has been our Partnership working with the Scottish Government, for the Modern Apprenticeships, Glasgow North Regeneration Agency for the Youthsmart and ILM trainees as well as the Scottish Council for the Voluntary Sector who coordinated those trainees arriving via the Future Jobs Funds which is aimed at 18-24 year olds who have been out of work for six months and claiming Jobseeker's Allowance. The Association has been able to use these initiatives to develop and sustain a serious capability for property and open space maintenance and other environmental tasks.

Currently the Association has 5 workers in a newly created 'maintenance' team managed by the Technical Services Officer. This team includes two qualified joiners, an apprentice joiner and a seasonal worker. They carry out a range of minor property repairs, pre-let improvements, plumbing jobs - work previously carried out by external contractors. The new team has given the Association a greater degree of control and has allowed us to be more responsive to repair requests. The standard of work achieved has also been good and we've been able to extend the types of jobs we've undertaken. Meanwhile at the established estate caretaker service we can report an expanded team carrying out additional tasks: We now have a dedicated painterwork squad that has a busy programme including close painting previously carried out by external contractors and an extensive repainting job at Cadder Community Centre.

The core caretaker team has now expanded to 15 workers, many of whom are employed for 6 months as part of the Future Jobs Fund project. Their tasks include grass cutting, shrub and tree maintenance, close cleaning, tidying backcourts and bin areas, litter picking, bulk uplifts etc. All of this work has a very positive impact on Cadder. In conclusion the Association envisaged considerable potential for 'wider action' beyond simply the management and maintenance of our housing stock. We recognised that a locally based team carrying various environmental works could substantially improve the quality of life for Cadder residents.

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Review of Business and Future Developments (Contd.)

This arrangement has been of mutual benefit to the local youths, the "Youthsmart" & ILM projects, Future Jobs Workers, Cadder Housing Association and the residents of Cadder. It has led to a positive outcome in terms of provision of local employment opportunities. In addition the quality and scope of the Estate Management Service has increased markedly as a result which is particularly satisfying given that the team and trainees are largely self financing.

- **Wider Role and Regeneration** - The Association continues to develop its wider role portfolio with the focus on environmental employment initiatives through our partnership with the Wise Group, Glasgow North Regeneration Agency and Glasgow Council for the Voluntary Sector. The Association has attracted approximately £970,000 in recent years for environmental improvement work through the Scottish Government, Glasgow City Council and employment agencies. This has been particularly pleasing where it has addressed a gap in our Business Plan where there were limited resources for these improvements. This work contributes to the sustainability of the area where residents enjoy living in pleasant, well maintained properties and surroundings.

The Association continues to make efforts to secure funding for the area for 2 main reasons. Firstly to improve the amenities and recreational facilities in the area and secondly, develop the Association stock portfolio where there is a lack of accommodation for single persons, families, households with disabilities as well as sheltered accommodation. This accommodation also matches the City Council investment priorities.

We continue to explore other projects and funding to enhance our business objectives and improve the service and amenities to all Cadder residents, for example:

- **Welfare Rights Service** - The welfare rights service has made approximately £250,000 in financial gains to 31 March 2010 whilst helping local residents maximise their entitlement to personal and housing benefit. The Association has secured grant funding from the Scottish Government and jointly funds the delivery of this service between April 2008 and March 2012. Thereafter, the Association will have to seek alternative financing sources if we are to continue to support the delivery of this invaluable service to local residents. This service has considerable business benefits ensuring the sustainability of the area where residents can attain a good quality of life through income maximisation, also enable the Association to minimise rent arrears through maximisation of housing benefit support and assistance.

- **Environmental Projects** - During the year the Association continued its partnership with the Wise Group to undertake environmental improvements to the area, which also delivered employment and training opportunities for the area. The current project involves extensive environmental improvement work to redesign the backcourts in Scapa Street / Tresta Road and will continue into 2010/11. The work will also include demolition of the rear canopies, bin stores and alternative bin provision. This will ensure that future upgrading work to re-render the buildings will be more cost efficient with reduced scaffolding costs.

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Review of Business and Future Developments (Contd.)

- **Core Services - Housing Management and Maintenance** - In terms of the Core Services of Housing Management and Property Management the Association has continued to attain high standards of performance.

- Void Management - 0.57%
- Relet performance - 25 Days
- Current rent arrears - 2.16 %.

Performance in these areas at the relatively low levels illustrated above continue to compare favourably with other organisations in our peer group (Peer Group 6).

The Maintenance Team set high targets in relation to repair response times with:

- 99% of emergency repairs attended to within 6 hours and
- 97% of urgent repairs attended to within 2 working days and
- 98% of routine repairs attended to within 10 working days

The satisfaction levels recorded in the repair satisfaction survey returns reflected 97 % satisfaction with the repairs service. This performance while simultaneously meeting the organisation's aims and objectives also displays a commitment to continuous improvement. This in turn enhances the Association's financial viability and therefore the long term sustainability of Cadder Housing Association.

- **Scottish Housing Quality Standards** - Following the work carried out in the last financial year when the Association completed the upgrading of 200 "J blocks" flatted properties including 21 owner-occupied flats there was little work in the SHQS category carried out this year. This is because the Association is working on a Community Energy Savings Partnership (CESP) scheme with British Gas to fund insulation, rendering and central heating renewal works at a discounted rate. This work is scheduled to take place in 2011/2012.

- **Development** - The Association continues to pursue development opportunities in the area. We were unsuccessful in lobbying Glasgow City Council to redesignate some of the spare ground in the vicinity from "Greenzone" to land suitable for housing development. However we did reach a compromise that if a development proposal met the Council Planners' prerequisites then it could be considered for development. We are also involved in exploratory discussions with the local authority with regard to other development opportunities within the area.

- **Cadder Community Centre** - This was due to close on 31 March 2010. However Cadder HA and the local community have campaigned to retain the facility and have been promised funds to explore the possibility of long term retention of this facility in the coming financial year.

- **Equal Opportunity & Diversity** - Our progress in this field has been recognised by the Equalities & Human Rights Commission (EHRC) as the exemplar of good practice within the housing sector.

We were also one of the 3 nominations for the Scottish Ethnic Minorities Achievement Award in Housing. The winning nomination will be announced in June 2010.

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Review of Business and Future Developments (Contd.)

- **Scottish Housing Regulator - Regulatory Assessment** - This assessment involves reviewing a broad range of information about Cadder HA. From this review the Scottish Housing Regulator plans the level of engagement it will have with the organisation. There are 3 categories of Regulatory engagement:
 - High category of engagement
 - Medium category of engagement
 - Low category of engagement

We were notified by the Scottish Housing Regulator that they will have a low level of engagement with Cadder HA. This means that they will continue to have a routine regulatory relationship with Cadder HA.

- **Charitable Status** - The Association is registered as a Scottish Charity and the financial year 2009/10 has been the fifth year of operations under this status.

In summary the past financial year has been a particularly busy one for all Committee and Staff of Cadder Housing Association but we feel that much has been achieved. We are of the view that we can build on this work which will provide a springboard for an even better performance in future years.

Result for the Year and Transfers

In the 12 months to 31 March 2010, the Association made a surplus of £887,690 (2009 - deficit £367,803). Total reserves are now £2,028,999 (2009- £1,141,331) with Fixed Assets of £4,664,282 (2009 - £4,714,343).

Although there have been some changes during the year, the updated 30 year budget projections undertaken in 2009/10 illustrate the continued achievement of the short, medium and long term viability of Cadder Housing Association Limited.

Transfers to designated reserves:

	£
Cyclical Repairs Reserve	-
Major Repairs Reserve	665767
Retained in Revenue Reserves	221923
	<hr/>
	887690

Fixed assets

Changes in fixed assets in the year are set out in note 11 of the financial statements.

Credit Payment Policy

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

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Review of Business and Future Developments (Contd.)

Maintenance policies

The Association seeks to maintain its properties to the highest standard. To this end the Association has a target of completion of all works to achieve the Scottish Housing Quality Standards by the year 2015 as well as programmes of cyclical maintenance, including central heating checks, painterwork and gutter cleaning-carried out in the short to medium term.- It is expected that the cost of all these repairs would be charged to the Income and Expenditure account.

In addition, the Association has a long-term programme of major repairs to cover for the planned renewal of major components and fabric of the Associations properties. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. The cost of these repairs would be charged to the Income and Expenditure account, unless it was agreed they could be capitalised within the terms outlined in the SORP.

Treasury Management

The Association has an active treasury management function, which operates in accordance with the Treasury Management Policy approved by the Committee of Management. In this way the Association manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held. The Association, as a matter of policy, does not enter into transactions of a speculative nature.

Employee Involvement and Health & Safety

The Association encourages employee involvement in all major initiatives and maintaining Health & Safety standards in all areas.

Quality and Integrity of Personnel

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through the Director. During the year 2009/10 the Association attained Investors in People Standard to further enhance the quality and integrity of the association's staff and committee.

REPORT OF THE COMMITTEE OF MANAGEMENT
FOR THE YEAR ENDED 31ST MARCH 2010

Review of Business and Future Developments (Contd.)

Budgetary Process

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

Disabled employees

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

Future Developments

The Association intends to continue with its policy of improving the quality of housing within its area of operation.

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2010

Management Committee and Executive Officers

The members of the Committee of Management and the Executive Officers are listed on Page 1.

Each member of the Committee of Management 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 Committee of Management.

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

Statement of Management Committee's Responsibilities

The Industrial and Provident Societies Acts 1965 to 2002 require the Committee of Management to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those Financial Statements, the Committee of Management is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgments 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 the going concern basis unless it is inappropriate to presume that the Association will continue in business.
- prepare a statement on Internal Financial Control.

The Committee of Management 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 Industrial and Provident Societies Act 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007. They are 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.

The Committee of Management must in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Committee of Management are aware:

- There is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's auditors are unaware, and
- The Committee of Management have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's Auditors are aware of that information.

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT
FOR THE YEAR ENDED 31ST MARCH 2010

Statement on Internal Financial Control

The Committee of Management 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 Committee of Management's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement 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 Committee of Management 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;
- regular 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
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Committee of Management;
- the Committee of Management receive 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.

Auditors

A resolution to re-appoint the Auditors, Alexander Sloan, Chartered Accountants, will be proposed at the Annual General Meeting.

By order of the Committee of Management



R. HUNTER
Secretary
30 August 2010

CADDER HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE COMMITTEE OF MANAGEMENT OF
CADDER HOUSING ASSOCIATION LIMITED
ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on Page 11 concerning the Association's compliance with the information required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing".

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 11 has provided the disclosures required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing" 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 section on Internal Financial Control within SFHA's "Raising Standards in Housing".



ALEXANDER SLOAN
Chartered Accountants

GLASGOW
30 August 2010

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CADDER HOUSING ASSOCIATION LIMITED**

We have audited the financial statements of Cadder Housing Association Limited for the year ended 31st March 2010 which comprise an income and expenditure account, balance sheet, cash flow statement and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Association's members, as a body, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968. 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 auditors' 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.

Respective Responsibilities of Committee of Management and Auditors

As described in the Statement of Committee of Management's Responsibilities the Association's Committee of Management are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Act 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007. We also report to you if, in our opinion, the Management Committee's Report is consistent with the Financial Statements, if the Association has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Management Committee's remuneration and transactions with the Association is not disclosed.

We read the Management Committee's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Management Committee in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion the Financial Statements:

give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the Association's affairs as at 31st March 2010 and of its income and expenditure and cash flow for the year then ended; and

have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.

In our opinion, the information given in the Management Committee's Report is consistent with the financial statements.



ALEXANDER SLOAN
Chartered Accountants
Statutory Auditors
GLASGOW
30 August 2010

CADDER HOUSING ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

	Notes	2010 £	2009 £
TURNOVER	2.	2,133,755	2,441,094
Operating Costs	2.	<u>(1,455,870)</u>	<u>(2,727,980)</u>
OPERATING SURPLUS	9.	677,885	(286,886)
Profit on Sale of Housing Stock	7.	30,368	150,649
Exceptional Item	22.	331,674	-
Interest Receivable and Other Income		16,843	62,123
Interest Payable and Similar Charges	8.	<u>(169,080)</u>	<u>(293,689)</u>
		209,805	(80,917)
SURPLUS / (DEFICIT) ON ORDINARY ACTIVITIES		<u><u>887,690</u></u>	<u><u>(367,803)</u></u>

All amounts relate to continuing activities. All recognised surpluses and deficits have been included in the Income & Expenditure Account. Historical cost surpluses and deficits are identical to those shown in the accounts.

CADDER HOUSING ASSOCIATION LIMITED

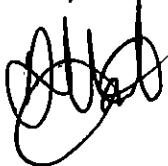
BALANCE SHEET AS AT 31st MARCH 2010

	Notes	£	2010 £	£	2009 £
TANGIBLE FIXED ASSETS					
Housing Properties - Depreciated Cost	11.(a)		9,971,621		9,824,468
Less: Social Housing Grant	11.(a)		(5,469,185)		(5,277,103)
			<u>4,502,436</u>		<u>4,547,365</u>
Other fixed assets	11.(b)		161,846		166,978
			<u>4,664,282</u>		<u>4,714,343</u>
CURRENT ASSETS					
Debtors	14.	159,012		461,180	
Cash at bank and in hand		2,082,826		1,463,308	
			<u>2,241,838</u>	<u>1,924,488</u>	
CREDITORS: Amounts falling due within one year	15.	(430,793)		(913,752)	
NET CURRENT ASSETS			<u>1,811,045</u>		<u>1,010,736</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,475,327</u>		<u>5,725,079</u>
CREDITORS: Amounts falling due after more than one year					
	16.		(4,446,328)		(4,583,748)
NET ASSETS			<u><u>2,028,999</u></u>		<u><u>1,141,331</u></u>
CAPITAL AND RESERVES					
Share Capital	18.		415		437
Designated Reserves	19.(a)		1,576,219		910,452
Revenue Reserves	19.(b)		452,365		230,442
			<u>2,028,999</u>		<u>1,141,331</u>

The Financial Statements were approved by the Committee of Management and signed on their behalf on

30 August 2010

Chairperson



Vice-Chairperson

L. Brown.

Secretary



CADDER HOUSING ASSOCIATION LIMITED

**CASH FLOW STATEMENT FOR THE YEAR ENDED
31st MARCH 2010**

	Notes	2010 £	2009 £
Net Cash Inflow / (Outflow) from Operating Activities	17.	982,895	(331,840)
Returns on Investment and Servicing of Finance			
Interest Received	16,843	62,123	
Interest Paid	(169,080)	(293,689)	
Net Cash (Outflow) from Investment and Servicing of Finance		(152,237)	(231,566)
Capital Expenditure and Financial Investment			
Acquisition and Construction of Properties	(292,665)	(544,459)	
Purchase of Other Fixed Assets	(26,506)	(41,986)	
Social Housing Grant Received	192,082	494,003	
Other Grants Received	7,000	11,356	
Proceeds on Disposal of Properties	37,078	184,934	
Proceeds on Disposal of Other Fixed Assets	900	3,050	
Net Cash (Outflow) / (Inflow) from Capital Expenditure and Financial Investment		(82,111)	106,898
Net Cash Inflow / (Outflow) before use of Liquid Resources and Financing		748,547	(456,508)
Financing			
Loan Principal Repayments	(129,034)	(121,158)	
Share Capital Issued	5	5	
Net Cash Outflow from Financing		(129,029)	(121,153)
Increase / (Decrease) In Cash	17.	619,518	(577,661)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Basis Of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2008, and on the historical cost basis. They also comply with the Registered Social Landlords Accounting Requirements (Scotland) Order 2007. A summary of the more important accounting policies is set out below.

Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable.

Retirement Benefits

The Association participates in the S.F.H.A. Defined Benefits Pension Scheme and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

Valuation Of Housing Properties

Housing Properties are stated at cost, less social housing and other public grants and less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the properties at an annual rate of 2%. Land is not depreciated. Housing Properties are reviewed for impairment if events or circumstances indicate that the carrying value is higher than the recoverable amount.

Depreciation And Impairment Of Other Fixed Assets

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

Office Premises	- 2% per annum
Furniture and Fittings	- 20-25% per annum
Computer Equipment	- 33.3% per annum
Motor Vehicles	- 25% per annum

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

Social Housing Grant And Other Grants In Advance/Arrears

Where developments have been financed wholly or partly by Social Housing Grant or other capital grant, the cost of those developments has been reduced by the amount of the grant receivable. The amount of the grants receivable is shown separately on the Balance Sheet.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account in the same period as the expenditure to which it relates.

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.

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

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 fixed asset disposals with the gain or loss on disposal shown in the Income and Expenditure Account.

Disposals of housing property under the Right to Buy scheme are treated as a fixed asset disposal and any gain and loss on disposal accounted for in the Income and Expenditure Account.

Disposals under shared equity schemes are accounted for in the Income and Expenditure Account. The remaining equity in the property is treated as a fixed asset investment, which is matched with the grant received.

Leases/Leased Assets

Costs in respect of operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their useful lives.

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 or a reduction in maintenance costs.

Capitalisation Of Development Overheads

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

Development Interest

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

Designated Reserves

The Association has designated part of its reserves to meet its long term obligations.

The Cyclical Maintenance Reserve has been designated to meet future repair and maintenance obligations which are cyclical in nature. These are carried out in accordance with a planned programme of works.

The Major Repairs Reserve is based on the Association's liability to maintain housing properties in a state of repair which at least maintains their residual values in prices prevailing at the time of acquisition and construction.

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	Notes	2010			2009		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Social Lettings	3.	2,108,325	1,362,991	745,334	2,151,004	2,400,278	(249,274)
Other Activities	4.	25,430	92,879	(67,449)	290,090	327,702	(37,612)
Total		2,133,755	1,455,870	677,885	2,441,094	2,727,980	(286,886)

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTINGS

	General			2010 Total £	2009 Total £
	Needs Housing £	Supported Housing £	Shared ownership £		
Income from Lettings					
Rent Receivable Net of Identifiable Service Charges	1,944,530	-	-	1,944,530	1,908,326
Service Charges Receivable	104,752	-	-	104,752	102,799
Gross Rents Receivable	2,049,282	-	-	2,049,282	2,011,125
Less: Rent losses from voids	11,743	-	-	11,743	13,860
Net Rents Receivable	2,037,539	-	-	2,037,539	1,997,265
Revenue Grants from Scottish Ministers	25,334	-	-	25,334	45,987
Revenue Grants From Local Authorities and Other Agencies	45,452	-	-	45,452	107,752
Total Income From Social Letting	2,108,325	-	-	2,108,325	2,151,004
Expenditure on Social Letting Activities					
Service Costs	104,752	-	-	104,752	129,586
Management and maintenance administration costs	748,307	-	-	748,307	712,146
Reactive Maintenance	216,898	-	-	216,898	303,965
Bad Debts - Rents and Service Charges	40,032	-	-	40,032	13,559
Planned and Cyclical Maintenance, including Major Repairs	114,201	-	-	114,201	1,141,376
Depreciation of Social Housing	138,801	-	-	138,801	99,646
Impairment of Housing	-	-	-	-	-
Operating Costs of Social Letting	1,362,991	-	-	1,362,991	2,400,278
Operating Surplus on Social Letting Activities	745,334	-	-	745,334	(249,274)
2009					(249,274)

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Grants From Scottish Ministers		Other Revenue Grants		Supporting People Income		Other Income		Total Turnover		Operating Costs		Operating Costs		Operating Surplus / (Deficit)		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Wider Role Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Support Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Care Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency / Management services for other RSLs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shared Ownership (First Tranche Sales)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Agency or Management Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Welfare Rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services - Other Owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rechargeable repairs bad debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total From Other Activities	21,000	105,581	163,509	25,430	25,430	37,070	36,178	55,809	313,827	(67,449)	(37,612)	2,383	530	(37,612)	(37,612)	(37,612)	(37,612)

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

The Officers are defined in s74 of the Industrial and Provident Societies Act 1965 as the members of the Management Committee, managers or servants of the Association.

	2010 £	2009 £
Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)	<u>61,419</u>	<u>-</u>
Compensation payable to Officers for loss of Office	<u>-</u>	<u>-</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>8,320</u>	<u>-</u>
Emoluments payable to Chief Executive (excluding pension contributions)	<u>61,419</u>	<u>59,935</u>

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

	Number	Number
£60,001 to £70,000	1	-

6. EMPLOYEE INFORMATION

	2010 No.	2009 No.
The average monthly number of full time equivalent persons employed during the year was	<u>31</u>	<u>25</u>
The average total number of Employees employed during the year was	<u>31</u>	<u>25</u>
Staff Costs were:	£	£
Wages and Salaries	578,877	507,480
Social Security Costs	43,921	41,537
Other Pension Costs	56,180	49,037
Temporary, Agency and Seconded Staff	<u>-</u>	<u>-</u>
	<u>678,978</u>	<u>598,054</u>

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. GAIN ON SALE OF HOUSING STOCK

	2010	2009
	£	£
Sales Proceeds	37,078	184,934
Cost of Sales	<u>6,710</u>	<u>34,285</u>
Gain On Sale Of Housing Stock	<u>30,368</u>	<u>150,649</u>

8. INTEREST PAYABLE

	2010	2009
	£	£
On Bank Loans & Overdrafts	<u>169,080</u>	<u>293,689</u>

9. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2010	2009
	£	£
Surplus on Ordinary Activities before Taxation is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	162,663	124,298
Auditors' Remuneration - Audit Services	5,290	5,290
Operating Lease Rentals - Other	2,543	1,017
Gain on sale of fixed assets	<u>(124)</u>	<u>(530)</u>

10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

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

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TANGIBLE FIXED ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Completed Shared Ownership Properties £	Shared Ownership In course of Construction £	Total £
COST					
As at 1st April 2009	10,723,824	-	-	-	10,723,824
Additions	292,665	-	-	-	292,665
Disposals	(8,322)	-	-	-	(8,322)
Schemes Completed	-	-	-	-	-
As at 31st March 2010	<u>11,008,167</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,008,167</u>
DEPRECIATION					
As at 1st April 2009	899,356	-	-	-	899,356
Charge for Year	138,801	-	-	-	138,801
Disposals	(1,611)	-	-	-	(1,611)
As at 31st March 2010	<u>1,036,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,036,546</u>
SOCIAL HOUSING GRANT					
As at 1st April 2009	5,277,103	-	-	-	5,277,103
Additions	192,082	-	-	-	192,082
Disposals	-	-	-	-	-
Schemes Completed	-	-	-	-	-
As at 31st March 2010	<u>5,469,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,469,185</u>
OTHER CAPITAL GRANTS					
As at 1st April 2009	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Schemes Completed	-	-	-	-	-
As at 31st March 2010	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET BOOK VALUE					
As at 31st March 2010	<u>4,502,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,502,436</u>
As at 31st March 2009	<u>4,547,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,547,365</u>

Additions to housing properties includes capitalised development administration costs of £2,348 (2009 - £3,686). Capitalised improvements to existing properties were £266829 (2009 £432081) for which Social Housing Grant of £116250 (2009: £404,918) was received

All land and housing properties are freehold.

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TANGIBLE FIXED ASSETS (Continued)

b) Other Tangible Assets	Computer Equipment £	Motor Vehicles £	Office Premises £	Furniture & Equipment £	Total £
COST					
As at 1st April 2009	86,686	22,295	149,057	137,704	395,742
Additions	728	-	-	25,778	26,506
Eliminated on Disposals	-	-	-	(1,939)	(1,939)
As at 31st March 2010	<u>87,414</u>	<u>22,295</u>	<u>149,057</u>	<u>161,543</u>	<u>420,309</u>
GRANTS RECEIVED					
As at 1st April 2009	-	11,356	-	23,540	34,896
Received in year	-	-	-	7,000	7,000
Repaid on Disposal	-	-	-	-	-
As at 31st March 2010	<u>-</u>	<u>11,356</u>	<u>-</u>	<u>30,540</u>	<u>41,896</u>
AGGREGATE DEPRECIATION					
As at 1st April 2009	78,273	2,735	24,689	88,171	193,868
Charge for year	7,252	2,735	2,981	10,894	23,862
Eliminated on disposal	-	-	-	(1,163)	(1,163)
As at 31st March 2010	<u>85,525</u>	<u>5,470</u>	<u>27,670</u>	<u>97,902</u>	<u>216,567</u>
NET BOOK VALUE					
As at 31st March 2010	<u>1,889</u>	<u>5,469</u>	<u>121,387</u>	<u>33,101</u>	<u>161,846</u>
As at 31st March 2009	<u>8,413</u>	<u>8,204</u>	<u>124,368</u>	<u>25,993</u>	<u>166,978</u>

12. CAPITAL COMMITMENTS

	2010 £	2009 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	<u>-</u>	<u>-</u>

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

13. COMMITMENTS UNDER OPERATING LEASES

At the year end, the annual commitments under operating leases were as follows:-	2010 £	2009 £
Other		
Expiring between two and five years	<u>1,039</u>	<u>1,017</u>

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. DEBTORS

	2010	2009
	£	£
Arrears of Rent & Service Charges	63,855	80,944
Less: Provision for Doubtful Debts	(25,907)	(20,852)
	<u>37,948</u>	<u>60,092</u>
Other Debtors	121,064	401,088
	<u>159,012</u>	<u>461,180</u>

15. CREDITORS: Amounts falling due within one year

	2010	2009
	£	£
Housing Loans	137,421	129,035
Rent in Advance	43,579	44,037
Other Taxation and Social Security	14,455	12,757
Other Creditors	53,344	630,212
Accruals and Deferred Income	181,994	97,711
	<u>430,793</u>	<u>913,752</u>

At the balance sheet date there were pension contributions outstanding of £5,094 (2009 £2,185)

16. CREDITORS: Amounts falling due after more than one year

	2010	2009
	£	£
Housing Loans	<u>4,446,328</u>	<u>4,583,748</u>
Housing Loans are secured by specific charges on the Association's housing properties and are repayable at varying rates of interest in instalments, due as follows:-		
Within one year	137,421	129,035
Between one and two years	146,353	137,421
Between two and five years	498,652	468,217
In five years or more	3,801,323	3,978,110
	<u>4,583,749</u>	<u>4,712,783</u>
Less: Amount shown in Current Liabilities	137,421	129,035
	<u>4,446,328</u>	<u>4,583,748</u>

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. CASH FLOW STATEMENT

	2010	2009
	£	£
<i>Reconciliation of operating surplus to net cash inflow from operating activities</i>		
Operating Surplus / (Deficit)	677,885	(286,886)
Depreciation	162,663	124,298
Change in Debtors	302,168	(277,528)
Change in Creditors	(159,670)	108,826
Gain on sale of fixed assets	(124)	(530)
Share Capital Written Off	(27)	(20)
Net Cash Inflow / (Outflow) from Operating Activities	<u>982,895</u>	<u>(331,840)</u>

	2010		2009	
	£	£	£	£
<i>Reconciliation of net cash flow to movement in net debt</i>				
Increase / (Decrease) in Cash	619,518		(577,661)	
Cash flow from change in debt	129,034		121,158	
Movement in net debt during year		748,552		(456,503)
Net debt at 1st April 2009		<u>(3,249,475)</u>		<u>(2,792,972)</u>
Net debt at 31st March 2010		<u>(2,500,923)</u>		<u>(3,249,475)</u>

	At 01.04.09	Cash Flows	Other Changes	At 31.03.10
	£	£	£	£
Cash at bank and in hand	1,463,308	619,518	-	2,082,826
Bank Overdrafts	-	-	-	-
	<u>1,463,308</u>	<u>619,518</u>		<u>2,082,826</u>
Liquid Resources	-	-	-	-
Debt: Due within one year	(129,035)	129,034	(137,420)	(137,421)
Due after more than one year	(4,583,748)	-	137,420	(4,446,328)
Net Debt	<u>(3,249,475)</u>	<u>748,552</u>	<u>-</u>	<u>(2,500,923)</u>

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2009	437
Issued in year	5
Cancelled in year	(27)
At 31st March 2010	<u>415</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.

19. RESERVES

(a) Designated Reserves		Cyclical Maintenance	Major Repairs	Total
		£	£	£
At 1st April 2009	#	107,515	802,937	910,452
Transfer to Revenue Reserves	#	-	665,767	665,767
At 31st March 2010	#	<u>107,515</u>	<u>1,468,704</u>	<u>1,576,219</u>

(b) Revenue Reserves		Total
		£
At 1st April 2009		230,442
Surplus for the Year		887,690
Transfer (to) / from Designated Reserves		(665,767)
At 31st March 2010		<u>452,365</u>

20. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2010 No.	2009 No.
General Needs - New Build	-	-
- Rehabilitation	655	656
Shared Ownership	-	-
Supported Housing	-	-
	<u>655</u>	<u>656</u>

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. RELATED PARTY TRANSACTIONS

Members of the Committee of Management are related parties of the Association as defined by Financial Reporting Standard 8.

The related party relationships of the members of the Committee of Management is summarised as follows:

- 12 members are tenants of the Association
- 1 member is a factored owner
- 1 member is a relevant local councillor
- 1 member is an employee of a relevant local authority

Those members that are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage.

Governing Body Members cannot use their position to their advantage. Any transactions between the Association and any entity with which a Governing Body Member has a connection with is made at arm's length and is under normal commercial terms.

22. EXCEPTIONAL ITEM

The Association acquired many of its properties from Scottish Homes in 1998. The transfer agreement stipulated that the Association could retain the proceeds of the first 15 Right to Buy sales between October 2003 and October 2008. The proceeds of any Right to Buy sales over this limit would be required to be repaid to Scottish Homes.

The Association sold more than 15 houses during this period and would have been required to repay the sum of £331,674. This amount was included as a creditor in the accounts to March 2009. However, the Scottish Ministers have now decided that this amount would not be required to be repaid subject to certain conditions being met.

The Association is able to satisfy these conditions by using this sum to help fund an extensive major repairs programme and as such the amount in question has been released to the Income and Expenditure account this year as an exceptional item.

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. RETIREMENT BENEFIT OBLIGATIONS

General

Cadder Housing Association Limited participates in the SFHA Pension Scheme.

The SFHA Pension Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme

The Scheme offers three benefit structures to employers, namely:

- Final salary with a 1/60th accrual rate.
- Career average revalued earnings with a 1/60th accrual rate
- Career average revalued earnings with a 1/70th accrual rate

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

Cadder Housing Association Limited has elected to operate the final salary with a 1/60th accrual rate benefit structure for active members as at 31 March 2008 and the final salary with a 1/60th accrual rate benefit structure for new entrants from 1 April 2008.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Cadder Housing Association Limited paid contributions at the rate of 15.4% of pensionable salaries. Member contributions were 7.7%.

As at the balance sheet date there were 14 active members of the Scheme employed by Cadder Housing Association Limited. The annual pensionable payroll in respect of these members was £364,808. Cadder Housing Association Limited continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. SFHA is a multi-employer scheme where the scheme assets are co-mingled for investment purposes, benefits are paid from the total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2006 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £268m. The valuation revealed a shortfall of assets compared with the value of liabilities of £54m (equivalent to a past service funding level of 83.4%).

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. RETIREMENT BENEFIT OBLIGATIONS (Continued)

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2008. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed a decrease in the assets of the Scheme to £265 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £149 million, equivalent to a past service funding level of 63.9%. Annual funding updates of the SFHA Pension Scheme are carried out using approximate actuarial techniques rather than member by member calculations, and will therefore not produce the same results as a full actuarial valuation. However they will provide a good indication of the financial progress of the scheme since the last full valuation.

Since the contribution rates payable to the Scheme have been determined by reference to the last full actuarial valuation the following notes relate to the formal actuarial valuation as at 30 September 2006.

Financial Assumptions

The financial assumptions underlying the valuation as at 30 September 2006 were as follows:

	% p.a.
- Investment return pre-retirement	7.2
- Investment return post-retirement	4.9
- Rate of Salary increases	4.6
- Rate of pension increases:	
pension accrued pre 6 April 2005	2.6
pension accrued from 6 April 2005	2.25
(for leavers before 1 October 1993 pension increases are 5.0%)	
- Rate of price inflation	2.6

The valuation was carried out using the PA92C2025 short cohort mortality table for non-pensioners and PA92C2013 short cohort mortality table for pensioners. The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions:

	<i>Males</i>	<i>Females</i>
	<i>Assumed life expectancy in years at age 65</i>	<i>Assumed life expectancy in years at age 65</i>
Non-pensioners	21.6	24.4
Pensioners	20.7	23.6

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23 RETIREMENT BENEFIT OBLIGATIONS (Continued)

Valuation Results

The long-term joint contribution rates required from employers and members to meet the cost of future benefit accrual were assessed as:

<i>Benefit Structure</i>	<i>Long-term joint contribution rate (% of pensionable)</i>
Final salary - 60ths	17.8
Career average 60ths	14.6
Career average 70ths	12.6

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the valuation it was agreed that the shortfall of £54m would be dealt with by the payment of additional contributions of 5.3% of pensionable salaries per annum with effect from 1 April 2008. It is the Scheme policy that the joint contribution rate payable is split between employers and members in the ratio 2:1. Accordingly the joint contribution rates from 1 April 2008 for each of the benefit structures will be:

<i>Benefit Structure</i>	<i>Joint contribution rate (% of pensionable salaries)</i>
Final salary 60ths	23.1% comprising employer contributions of 15.4% and member contributions of 7.7%
Career average 60ths	19.9% comprising employer contributions of 13.3% and member contributions of 6.6%
Career average 70ths	17.9% comprising employer contributions of 11.9% and member contributions of 6.0%

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. RETIREMENT BENEFIT OBLIGATIONS (Continued)

A small number of employers that have closed the Scheme to new entrants are required to pay an additional employer contribution loading of 3.5% to reflect the higher costs of a closed arrangement.

If the valuation assumptions are borne out in practice, this pattern of contributions should be sufficient to eliminate the past service deficit, on an on-going funding basis, by 31 March 2020.

A copy of the recovery plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). The Regulator has reviewed the recovery plan for the SFHA Pension Scheme and confirmed that, in respect of the September 2006 actuarial valuation, it does not propose to issue any scheme funding directions under Part 3 of the Pensions Act 2004.

The current triennial valuation, as at 30 September 2009, is being undertaken by a professionally qualified actuary. The provisional results of this valuation were issued by the SFHA Pension Scheme in May 2010. These figures show that the deficit on the scheme has increased from £53.6million to £160million. The funding level of liabilities, based on these figures, would be 64.8% (2006 - 83.4%). As a result of this valuation the total contribution rate must increase on average by 7% of pensionable earnings for all existing benefit options structures from April 2011.

levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

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