

Cadder Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2019

Registered Housing Association No. HCB 270

FCA Reference No. 2436R(S)

Scottish Charity No. SC036455

CADDER HOUSING ASSOCIATION LIMITED

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CADDER HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS YEAR ENDED 31 MARCH 2019

MANAGEMENT COMMITTEE

Linda Brown	Chairperson
Elizabeth Doherty	Secretary
Ruby Hunter	Vice Chairperson
Helen McNab	
Fiona Thomson	
Jamila Flynn	
Valerie Davies	
Kristina Bowie	
Linda Thomson	(Appointed 30/5/2018)
Gerard O'Donnell	(Appointed 30/5/2018)

EXECUTIVE OFFICERS

Kenny Mollins	Director
John McShane	Customer Services Manager
Gerry Casey	Finance & Corporate Services Manager
Lisa Reynolds	Maintenance Manager (resigned 22/4/2019)

REGISTERED OFFICE

20 Fara Street
Glasgow
G23 5AE

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

TIAA Ltd
53-55 Gosport Business Centre
Aerodrome Road
Gosport

BANKERS

Royal Bank of Scotland
129 Kirkintilloch Road
Bishopbriggs
G64 2LR

SOLICITORS

TC Young
7 West George Street
Glasgow
G20 0EQ

SOLICITORS

Harper Macleod
45 Gordon Street
Glasgow
G1 3PE

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

The Management Committee presents its report and the Financial Statements for the year ended 31 March 2019.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.2436R(S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC036455.

Principal Activities

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

1. providing, constructing, improving and managing land, accommodation and associated facilities and providing care;
2. providing or arranging home maintenance, repair and improvement services and providing facilities and services for the benefit of such people either exclusively for them or together with other persons;
3. undertaking any activities which are charitable, allowed under section 58 of the Housing (Scotland) Act 2001, including any statutory amendment or re enactment of the provisions of this section from time to time being in force and;
4. carrying on any other charitable activities permitted to registered social landlords from time to time.

Review of Business and Future Developments

Cadder Housing Association (Association) reports a surplus for the year of £656,204 (2018- £648,043).

The Association owns and rents 660 properties (2018 – 641) with an additional 34 properties under construction which were handed over in the first quarter of 2019/20 and provides a factoring management service to 408 owner-occupiers (2018 - 408).

The Association is governed by a Management Committee, where they lead, manage and direct the organisation to meet the needs and expectations of our tenants and other customer and to achieve our strategic aims. The Management Committee has improved its capability to ensure there is effective governance through recruitment of new members with particular skills and a programme of training and development.

The Association engagement level continues to be low with the Scottish Housing Regulator.

The Association procured the services of a governance consultant, the Indigo House Group, to undertake an assessment of our compliance against the Scottish Housing Regulator's Regulatory Standards in February 2018. The findings showed the Association to have strong and effective governance arrangements with compliance against all Regulatory Standards. The Association has made good progress against the action plan we established to build on these strengths and further improve our governance arrangements.

The Scottish Housing Regulator reviewed its Regulatory Framework for Registered Social Landlords (RSLs) in February 2019 and we will establish an Action Plan to ensure our continued compliance with the Regulatory Standards of Governance and Financial Management. A key feature of the new Regulatory Framework is for RSLs to prepare an Annual Assurance Statement, where the Management Committee will confirm their assurance with our compliance with the new standards.

The Association prides itself in its high quality management and maintenance of its housing stock and the Cadder area, whilst aiming to ensure rents and service charges are affordable to our tenants and owner-occupiers, respectively and cover our costs

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

Review of Business and Future Developments (Continued)

The Association has performed well in the year, particularly in maximising income through mitigating rent loss from our empty houses and arrears levels from tenants and owner-occupiers. The Association's work in arrears management was supported by the Financial Inclusion Team, where welfare rights staff helped residents maximise their entitlement to benefits and deal with the introduction of Universal Credit. This work has been assisted by partial funding from the People and Communities Fund in 2018/19. There has also been effective action taken against tenants in respect of rent arrears and owner-occupiers for arrears with management fees and improvement works, where there is persistent non-payment

A major achievement of our Trade Team has been the installation of new bathrooms and kitchens to our tenants' homes. In the year, there were 173 installations and the Association completed the bathroom programme. The kitchen programme is due to be completed by March 2022.

We plan to install a further 93 kitchens to our tenants' homes in 2019-20 through the Trade Team. The replacement of verandah windows will also commence in 2019/20 with the replacement of 89 units planned. Work will also commence on installing new smoke detection systems in all rented properties to comply with the new building regulations for fire safety, which are due to be completed in 2020/21.

The Association saw an increase in the number of lets and voids during the year as a result of introducing the new housing stock and the subsequent tenant movement within the area.

There are areas of our business where we feel we could make further improvement and these will be the focus of our attention in 2019-20, they include reducing offer refusals and average re-let times for empty homes and pursuit of former tenant arrears.

The Association continues to make progress in the regeneration of Cadder, with work continuing on the following projects in the year:

- **Tresta Road New Build Development**

The development of the 50 new homes for rent on the site of the former St Agnes primary school at Tresta Road continued during the year. The properties have been handed over in a phased approach with the first properties handed over in November 2018. At the year end 16 properties had been handed over with the remaining 34 properties being handed over in the first quarter of 2019/20. The development contributes to our on-going mission to provide high quality homes for rent in Cadder.

These properties have been funded by £3.6million in housing association grant through Glasgow City Council / Scottish Government, as well as new loan facility taken out by the Association through the Bank of Scotland of £2.6million.

- **Refurbished Offices**

The Association completed the refurbishment of its former offices in Skirsa Street in July 2018, which provided 3 new homes for rent. The project received £140,856 in housing association grant.

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

Review of Business and Future Developments (Continued)

- **Home Energy Efficiency Programme in Scotland (HEEPS)**
The Association has worked in partnership with Glasgow City Council and Home Energy Scotland to deliver energy improvements to unimproved cottage properties owned by owner-occupiers. This has been achieved where many owner-occupiers living in 'non-traditional' properties have participated in a project to have external wall insulation and render to their property at an affordable cost. The cost of these improvements was supported by the Scottish Government's H.E.E.P.S funding, which has been administered by Glasgow City Council to improve owners' homes in the city.
- **Cadder Vision**

The Association has worked with INCH Architects to develop its vision to further regenerate Cadder with new housing and shops, recreational & leisure facilities, improved connections to the community forest and canal, as well as to improve traffic management in the area. The Association will publish details of the Cadder Vision in summer 2019

Energy Efficiency

The Association is 100% (2018 - 100%) compliant with the Scottish Government's new energy standards for the social housing sector, Energy Efficiency in Scotland's Social Housing (EESH), which has a deadline of March 2020.

Cadder Community Centre

The centre made a deficit in 2018/19 of £51,829 (2018 – surplus £2,147) and there is a focus to continue to improve its viability and sustainability. The deficit is funded by the Association's commitment to provide £30,000 to the Wider activities of the Centre and contributing to the use of facilities within the Centre by the Association for its housing activities

During the year a Business Plan for the Centre for the period 2019-2022 was developed, setting the strategic aims to improve the use of Centre. The Business Plan will form the basis for a marketing strategy and funding strategy to achieve the strategic aims.

The staff structure of the Centre was reviewed in December 2018 with the introduction of a Community Regeneration Manager agreed, who will manage the Centre to drive forward the strategic aims and the income generation of the centre. The appointment of the new post will take place in early 2019/20.

The Association is keen to maximise each of the themed uses for the centre, which were developed through consultation with local residents and they are: youth and community facilities; learning and development; recreation and leisure; functions and events; and a community café.

The Association's key challenges and opportunities in the year ahead include:

- To mitigate the impact of the UK Government's welfare reforms on the Association and our tenants;
- To further improve the governance of the Association through implementing the action plan from the independent governance assessment, also improving Committee members' capability to lead, manage and direct the Association;
- Implemented the changes from the Scottish Housing Regulators review of the Regulatory Framework;
- To continue our improvement of the procurement of work, service and supply contracts to meet legislative requirements and provision of our Procurement Policy;
- To improve all aspects of our services to meet the needs and expectations of our tenants, owner-occupiers and other customer;
- To progress the major repairs programme and improve our tenants' homes with the installation of new kitchens and veranda windows;
- To improve the viability and sustainability of the Cadder Community Centre;
- To maintain our momentum in the regeneration of Cadder through completion of on-site projects and set the future agenda through the Cadder Vision;

Pensions

During the year the method of estimating the past service liability for the defined benefit SHAPS pension scheme has changed. The Pension Trust are now able to provide an actuary valuation for the Association's share of the scheme liabilities. The changes have resulted in a charge of £283,000 in the Other Comprehensive Income of the Association's Statement of Comprehensive Income. The charge is an accounting adjustment and as such does not impact the cash reserves of the Association. The assumptions used in the actuarial valuations each year can cause significant volatility to the valuations and the accounting adjustment required. However, these do not impact of the Association's cash and going concern status.

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

Management Committee and Executive Officers

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

Each member of the Management Committee holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Management Committee.

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

Statement of Management Committee's Responsibilities

The Co-operative and Community Benefit Act 2014 requires the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those Financial Statements, the Management Committee is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on 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 Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to: ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements - 2019. 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 Management Committee 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 Management Committee 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 Management Committee 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 MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

Statement on Internal Financial Control

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

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

It is the Management Committee's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial 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 Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- Quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee 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.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2019. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Donations

During the year the Association made charitable donations amounting to £508 (2018 - £600).

Auditors

The Association is currently undergoing a tender process for external audit. On completion of this exercise the Management Committee will make a recommendation to the members at the Annual General Meeting for the external auditor for 2019/20.

By order of the Management Committee

ELIZABETH DOHERTY
Secretary
27 June 2019



CADDER HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE MEMBERS 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 6 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication 'Regulation of Social Housing in Scotland' and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

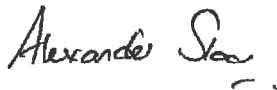
Basis of Opinion

We carried out our review having regard to the requirements 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 6 has provided the disclosures required by the relevant Regulatory Standards with the publication 'Regulation of Social Housing in Scotland' and associated Regulatory Advice Notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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



ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW
27 June 2019



Alexander Sloan
Accountants and Business Advisers

CADDER HOUSING ASSOCIATION LIMITED

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

Opinion

We have audited the financial statements of Cadder Housing Association Limited (the 'Association') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Management Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Management Committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Management Committee.

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

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

CADDER HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CADDER HOUSING ASSOCIATION LIMITED (Continued)

Responsibilities of the Management Committee

As explained more fully in the Statement of Management Committee's Responsibilities as set out on Page 5, the Management Committee 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 Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intends to liquidate the Association or to cease operations, or has 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of the Management Committee use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Association audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



ALEXANDER SLOAN
Accountants and Business Advisers
Statutory Auditors
GLASGOW
27 June 2019



Alexander Sloan
Accountants and Business Advisers

CADDER HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019	2018
		£	£
REVENUE	2	3,210,303	3,124,989
Operating Costs	2	<u>(2,409,562)</u>	<u>(2,290,636)</u>
OPERATING SURPLUS		800,741	834,353
Interest Receivable and Other Income		4,517	1,138
Interest Payable and Similar Charges	7	(141,054)	(186,661)
Other Finance Income / (Charges)	9.	<u>(8,000)</u>	<u>(787)</u>
		<u>(144,537)</u>	<u>(186,310)</u>
SURPLUS FOR THE YEAR	8	656,204	648,043
Other comprehensive income			
Adjustment relating to Opening Pension Liability		(30,000)	
Actuarial Gains/ (Losses) on defined benefit Pension Plan		<u>(253,000)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>373,204</u>	<u>648,043</u>

The notes on pages 14 to 32 form part of these financial statements.

CADDER HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
NON-CURRENT ASSETS					
Housing Properties - Depreciated Cost	10 (a)		16,344,629		14,144,246
Other Non-current Assets	10 (b)		3,504,754		3,601,137
			<u>19,849,383</u>		<u>17,745,382</u>
CURRENT ASSETS					
Receivables	13	147,128		127,342	
Stock of maintenance materials		78,997		63,663	
Investments- short term bank deposits		1,000,000		1,500,000	
Cash at bank and in hand		2,067,254		1,267,389	
		<u>3,293,379</u>		<u>2,958,394</u>	
CREDITORS: Amounts falling due within one year	14	<u>(1,139,079)</u>		<u>(1,672,999)</u>	
NET CURRENT ASSETS			<u>2,154,300</u>		<u>1,285,395</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>22,003,683</u>		<u>19,030,777</u>
CREDITORS: Amounts falling due after more than one year	15		<u>(6,194,712)</u>		<u>(4,407,888)</u>
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish Housing Association Pension Scheme	28	<u>(534,000)</u>		-	
			<u>(534,000)</u>		-
DEFERRED INCOME					
Social Housing Grants	17	<u>(5,917,341)</u>		<u>(5,587,744)</u>	
Other Grants	17	<u>(2,384,661)</u>		<u>(2,435,398)</u>	
			<u>(8,302,002)</u>		<u>(8,023,142)</u>
NET ASSETS			<u>6,972,969</u>		<u>6,599,747</u>
EQUITY					
Share Capital	18		95		77
Revenue Reserves			7,506,874		6,599,670
Pension Reserves			<u>(534,000)</u>		-
			<u>6,972,969</u>		<u>6,599,747</u>

The Financial Statements were approved by the Management Committee and authorised for issue and signed on their behalf on 27 June 2019.

Chairperson



Vice Chairperson



Secretary



The notes on pages 14 to 32 form part of these financial statements.

CADDER HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Net cash inflow from operating activities	16	623,254	1,842,372
Investing Activities			
Acquisition and Construction of Properties	(2,670,565)	(3,592,523)	
Purchase of Other Fixed Assets	(53,086)	(27,950)	
Social Housing Grant Received	414,211	3,037,537	
Other Grants Received	-	21,270	
Changes on short term deposits with banks	500,000	-	
Net cash outflow from investing activities		(1,809,440)	(561,666)
Financing Activities			
Loan Advances Received	2,600,000	-	
Interest Received on Cash and Cash Equivalents	4,517	1,138	
Interest Paid on Loans	(141,054)	(186,661)	
Loan Principal Repayments	(477,430)	(626,051)	
Share Capital Issued	18	6	
Net cash inflow / (outflow) from financing activities		1,986,051	(711,568)
Increase in cash		799,865	569,138
Opening Cash & Cash Equivalents		1,267,389	698,251
Closing Cash & Cash Equivalents		2,067,254	1,267,389
Cash and Cash equivalents as at 31 March			
Cash		2,067,254	1,267,389
		2,067,254	1,267,389

The notes on pages 14 to 32 form part of these financial statements.

CADDER HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2019

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 31 March 2017	145	-	5,951,627	5,951,772
Issue of Shares	6	-	-	6
Cancellation of Shares	(74)	-	-	(74)
Other comprehensive income	-	-	-	-
Surplus for the year	-	-	648,043	648,043
Balance as at 31 March 2018	77	-	6,599,670	6,599,747
Balance as at 1 April 2018	77	-	6,599,670	6,599,747
Issue of Shares	18	-	-	18
Cancellation of Shares	-	-	-	-
Other comprehensive income	-	(283,000)	-	(283,000)
Other movement	-	(251,000)	251,000	-
Surplus for the year	-	-	656,204	656,204
Balance as at 31 March 2019	95	(534,000)	7,506,874	6,972,969

The notes on pages 14 to 32 form part of these financial statements.

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for social housing providers 2014. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2015.

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 2014, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2019. A summary of the more important accounting policies is set out below.

Revenue

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

Government Grants are released to income over the expected useful life of the asset to which it relates.

Retirement Benefits

The Association previously participated in the Scottish Housing Associations Defined Benefit Pension Scheme where retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. The Association has moved from the Defined Benefit scheme to the Scottish Housing Association Defined Contribution Scheme. There is a deficit in the Defined Benefit Scheme and payments are made in accordance with periodic calculations by consulting Actuaries for the past service deficit cost. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association also participates in the Scottish Housing Association Defined Contribution Scheme which is accounted for in accordance with FRS 102 as a defined contribution scheme.

Valuation Of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 10. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

Component	Useful Economic Life
Central Heating	15 Years
Electric Wiring	30 Years
Kitchens	15 Years
Bathrooms	30 Years
Windows	25 Years
Structure	50 Years
Insulation	30 Years

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES

Depreciation and Impairment of Other Non-Current Assets

Non-current 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:

Asset Category	Depreciation Rate
Office Premises	2% Straight Line
Furniture & Fittings	25% Straight Line
Motor Vehicles	25% Straight Line
Computer & Office Equipment	33.3% Straight Line

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

Social Housing Grant and Other Grants In Advance/Arrears

Social Housing Grants and Other Capital Grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates.

Social Housing Grant attributed to individual components is written off to the Statement of Comprehensive Income when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Statement of Comprehensive Income 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 normally be restricted to the net proceeds of sale.

Sales Of Housing Properties

Disposals of housing property under the Right to Buy scheme are treated as non-current asset disposals and any gain or loss on disposal accounted for in the Statement of Comprehensive Income.

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES

Leases/Leased Assets

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

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.

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.

Stocks

Stocks of Maintenance materials have been valued at the lower of cost and net realisable value. Cost is defined as the supplier's invoice price.

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES

Key Judgements made in the application of Accounting Policies

a) The Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Financial instrument break clauses

The Association has considered the break clauses attached to the financial instruments that it has in place for its loan funding. In the judgement of the Board of Management, these break clauses do not cause the financial instrument to be classified as a complex financial instrument and therefore they meet the definition of a basic financial instrument.

d) Pension Liability

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. This year the Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method.

Financial Instruments - Basic

The Association classes all of its loans as basic financial instruments including agreements with break clauses. The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

The Association's debt instruments are measured at amortised cost using the effective interest rate method.

Estimation Uncertainty

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

a) Rent Arrears - Bad Debt Provision

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

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

d) Defined pension liability

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

e) Allocation of share of assets and liabilities for multi employer schemes

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

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING AND OTHER ACTIVITIES

	Notes	2019			2018		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3	3,006,040	2,042,872	963,168	2,881,471	1,952,301	929,170
Other Activities	4	204,263	388,690	(182,427)	243,518	338,335	(94,817)
Total		3,210,303	2,409,562	800,741	3,124,989	2,290,636	834,353

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General			2019 Total £	2018 Total £
	Needs Housing £	Sheltered Housing £	Shared Ownership £		
Revenue from Lettings					
Rent receivable net of service charges	2,893,274	-	-	2,893,274	2,752,877
Service charges receivable	-	-	-	-	-
Gross Income from rent and service charges	2,893,274	-	-	2,893,274	2,752,877
Less: Rent losses from voids	22,487	-	-	22,487	15,285
Net Rents Receivable	2,870,787	-	-	2,870,787	2,737,592
Grants released from deferred income	84,618	-	-	84,618	81,797
Other revenue grants	50,635	-	-	50,635	62,082
Total turnover from affordable letting activities	3,006,040	-	-	3,006,040	2,881,471
Expenditure on affordable letting activities					
Management and maintenance administration costs	922,324	-	-	922,324	877,877
Service Costs	114,895	-	-	114,895	127,888
Planned and cyclical maintenance, including major repairs	177,348	-	-	177,348	160,745
Reactive maintenance costs	325,997	-	-	325,997	323,815
Bad Debts - rents and service charges	32,126	-	-	32,126	15,020
Depreciation of affordable let properties	470,182	-	-	470,182	447,158
Impairment of affordable letting activities	-	-	-	-	-
Operating costs of affordable letting activities	2,042,872	-	-	2,042,872	1,952,301
Operating surplus on affordable letting activities	963,168	-	-	963,168	929,170
2018	829,170	-	-		

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Grants From Scottish Ministers	Other Revenue	Supporting People Income	Other Income	Total Turnover	Operating Costs Bad Debts	Operating Costs Other	Operating Surplus / (Deficit) 2019	Operating Surplus / (Deficit) 2018
	£	£	£	£	£	£	£	£	£
Wider role activities	-	-	-	32,267	32,267	-	70,975	(38,708)	(38,482)
Factoring	-	-	-	22,422	22,422	6,697	25,487	(9,762)	3,108
Contracted out services undertaken for other organisations	-	-	-	-	-	-	-	-	-
Community Centre	-	50,737	-	97,819	148,556	-	200,365	(51,829)	2,147
Agency or management services	-	-	-	-	-	-	-	-	-
Community Centre Depreciation	-	-	-	1,018	1,018	-	63,146	(63,146)	(63,146)
Rechargeable repairs	-	-	-	-	-	-	-	1,018	1,556
Total From Other Activities	-	50,737	-	153,526	204,263	6,697	359,993	(162,427)	(94,917)
2018	32,267	122,280	-	88,971	243,518	-	338,335	(94,817)	

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

	2019	2018
	£	£
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.		
Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)	<u>77,129</u>	<u>80,580</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>8,373</u>	<u>14,087</u>
Emoluments payable to Chief Executive (excluding pension contributions)	<u>77,129</u>	<u>80,580</u>
Total Emoluments paid to key management personnel	<u>257,352</u>	<u>240,743</u>

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

	Number	Number
£60,001 to £70,000	<u>1</u>	<u>1</u>
£80,001 to £90,000	<u>1</u>	<u>1</u>

6. EMPLOYEE INFORMATION

	2019	2018
	No.	No.
The average monthly number of full time equivalent persons employed during the year was:	<u>36</u>	<u>42</u>
The average total number of Employees employed during the year was:	<u>46</u>	<u>48</u>
Staff Costs were:	£	£
Wages and Salaries	967,908	898,217
Social Security Costs	85,697	82,177
Other Pension Costs	76,421	59,970
Temporary, Agency and Seconded Staff	74,511	92,593
	<u>1,204,537</u>	<u>1,132,957</u>

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. INTEREST PAYABLE & SIMILAR CHARGES

	2019	2018
	£	£
On Bank Loans & Overdrafts	<u>141,054</u>	<u>186,661</u>

Interest capitalised was incurred at varying rates of interest.

8. SURPLUS FOR THE YEAR

	2019	2018
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - Tangible Owned Fixed Assets	614,913	588,074
(Loss) on component disposals	-	-
Auditors' Remuneration - Audit Services	7,320	7,020
Auditors' Remuneration - Other Services	420	-
Operating Lease Rentals - Land & Buildings	4,560	4,560
Operating Lease Rentals - Other	<u>1,313</u>	<u>1,313</u>

9. OTHER FINANCE INCOME / CHARGES

	2019	2018
	£	£
Unwinding of Discounted Liabilities	-	(787)
Net interest cost on pensions	<u>8,000</u>	<u>-</u>

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Total £
COST			
As at 1 April 2018	15,903,544	3,651,265	19,554,809
Additions	357,602	2,312,963	2,670,565
Disposals	(121,758)	-	(121,758)
Schemes Completed	<u>2,114,318</u>	<u>(2,114,318)</u>	<u>-</u>
As at 31 March 2019	<u>18,253,706</u>	<u>3,849,910</u>	<u>22,103,616</u>
DEPRECIATION			
As at 1 April 2018	5,410,564	-	5,410,564
Charge for Year	465,444	-	465,444
Transfers	-	-	-
Disposals	<u>(117,021)</u>	<u>-</u>	<u>(117,021)</u>
As at 31 March 2019	<u>5,758,987</u>	<u>-</u>	<u>5,758,987</u>
NET BOOK VALUE			
As at 31 March 2019	<u>12,494,719</u>	<u>3,849,910</u>	<u>16,344,629</u>
As at 31 March 2018	<u>10,492,980</u>	<u>3,651,265</u>	<u>14,144,245</u>

Additions to housing properties include capitalised development administration costs of £168,461 (2018 - £171,189) and capitalised major repair costs to existing properties of £189,141 (2018 - £305,244).

All land and housing properties are heritable.

Total expenditure on existing properties in the year amounted to £860,947 (2018 - £960,993). The amount capitalised is £357,602 (2018 - £476,433) with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £357,602 (2018 - £476,433) and improvement of £0 (2018 - Nil).

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. NON CURRENT ASSETS (Continued)

(b) Other Tangible Assets	Office Premises £	Furniture & Equipment £	Land £	Computer Equipment £	Total £
COST					
As at 1 April 2018	474,747	447,316	3,157,324	160,255	4,239,642
Additions	-	30,511	-	22,575	53,086
Eliminated on Disposals	-	-	-	(100,477)	(100,477)
As at 31 March 2019	<u>474,747</u>	<u>477,827</u>	<u>3,157,324</u>	<u>82,353</u>	<u>4,192,251</u>
AGGREGATE DEPRECIATION					
As at 1 April 2018	23,982	337,972	126,268	150,283	638,505
Charge for year	9,495	62,480	63,146	14,348	149,469
Eliminated on Disposals	-	-	-	(100,477)	(100,477)
As at 31 March 2019	<u>33,477</u>	<u>400,452</u>	<u>189,414</u>	<u>64,154</u>	<u>687,497</u>
NET BOOK VALUE					
As at 31 March 2019	<u>441,270</u>	<u>77,375</u>	<u>2,967,910</u>	<u>18,199</u>	<u>3,504,754</u>
As at 31 March 2018	<u>450,765</u>	<u>109,344</u>	<u>3,031,056</u>	<u>9,972</u>	<u>3,601,137</u>

11. CAPITAL COMMITMENTS

	2019 £	2018 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	<u>205,123</u>	<u>2,466,745</u>

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

12. COMMITMENTS UNDER OPERATING LEASES

	2019 £	2018 £
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-		
Land and Buildings		
Not later than one year	4,560	4,560
Later than one year and not later than five years	4,560	9,120
Later than five years	-	-
Other		
Not later than one year	626	1,313
Later than one year and not later than five years	-	656
Later than five years	-	-

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. RECEIVABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Arrears of Rent & Service Charges	144,868	133,805
Less: Provision for Doubtful Debts	(72,126)	(72,701)
	<u>72,742</u>	<u>61,104</u>
Other Receivables	74,386	66,238
	<u>147,128</u>	<u>127,342</u>

14. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Housing Loans	570,744	477,431
Trade Payables	117,435	736,006
Rent Received in Advance	65,200	68,114
Other Taxation and Social Security	22,062	22,887
Liability for Past Service Contributions	-	81,567
Accruals and Deferred Income	363,636	286,994
	<u>1,139,079</u>	<u>1,672,999</u>

At the balance sheet date there were pension contributions outstanding of £10,007 (2018 - £7,824).

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Liability for Past Service Contributions	-	242,433
Derivative Financial Instruments	-	-
Housing Loans	6,194,712	4,185,455
	<u>6,194,712</u>	<u>4,407,888</u>
Housing Loans		
Amounts due within one year	570,744	477,431
Amounts due in one year or more but less than two years	590,093	492,214
Amounts due in two years or more but less than five years	1,892,925	1,543,432
Amounts due in more than five years	3,711,694	2,129,809
	<u>6,765,456</u>	<u>4,642,886</u>
Less: Amount shown in Current Liabilities	570,744	477,431
	<u>6,194,712</u>	<u>4,165,455</u>
Liability for Past Service Contributions		
Amounts due within one year	-	81,567
Amounts due in one year or more but less than two years	-	81,567
Amounts due in two years or more but less than five years	-	160,866
Amounts due in more than five years	-	-
	<u>-</u>	<u>324,000</u>
Less: Amount shown in Current Liabilities	-	81,567
	<u>-</u>	<u>242,433</u>

The Association has a number of long-term housing loans the terms and conditions of which are as follows:

Lender	Number of Properties Secured	Effective Interest Rate	Maturity (Year)	Variable / Fixed
Cooperative Bank	Standard security over 225 properties	3.4%	2029	Fixed & Variable
Royal Bank of Scotland	Standard security over 122 properties	2.7%	2024	Fixed
Bank of Scotland	Standard security over 114 properties	3.6%	2034	Fixed

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

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. STATEMENT OF CASH FLOWS

Reconciliation of surplus for the year to net cash inflow from operating activities

	2019	2018
	£	£
Surplus for the year	658,204	648,043
Depreciation	619,650	605,679
Amortisation of Capital Grants	(135,351)	(132,534)
Change in stock	(15,334)	(1,819)
Change in properties developed for resale	-	-
Change in debtors	(19,786)	(5,136)
Change in creditors	(545,666)	542,490
Unwinding of Discount on Pension Liability	(73,000)	(787)
Transfer of interest to financial activities	136,537	166,310
Share Capital Written Off	-	(74)
Net cash inflow from operating activities	<u>623,254</u>	<u>1,842,372</u>

Reconciliation of net cash flow to movement in net debt

	2019	2018
	£	£
Increase in cash	799,865	569,138
Cashflow from change in net debt	(1,880,137)	711,562
Movement in net debt during the year	(1,080,272)	1,280,700
Net debt at 1st April 2018	(2,617,930)	(3,898,630)
Net debt at 31 March 2018	<u>(3,698,202)</u>	<u>(2,617,930)</u>

Analysis of changes in net debt

	At 01 April 2018	Cashflows	Other Changes	At 31 March 2019
Cash at bank and in hand	1,267,389	799,865	-	2,067,254
Bank overdrafts	-	-	-	-
Liquid resources	1,267,389	799,865	-	2,067,254
Debt: Due within one year	1,000,000	-	-	1,000,000
Due after more than one year	(477,431)	(93,313)	-	(570,744)
Net Debt	<u>(2,617,930)</u>	<u>(1,080,272)</u>	-	<u>(3,698,202)</u>

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. DEFERRED INCOME

	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Other Fixed Assets £	Commercial Leases £	Supporting People £	Total £
Social Housing Grants						
As at 1 April 2018	4,069,876	3,423,845	-	-	-	7,513,721
Additions in the year	-	414,211	-	-	-	414,211
Transferred	1,254,973	(1,254,973)	-	-	-	-
As at 31 March 2019	5,344,849	2,583,083	-	-	-	7,927,932
Amortisation						
As at 1 April 2018	1,925,877	-	-	-	-	1,925,877
Eliminated on disposal	84,614	-	-	-	-	84,614
As at 31 March 2019	2,010,591	-	-	-	-	2,010,591
Net book value						
As at 31 March 2019	3,334,258	2,583,083	-	-	-	5,917,341
As at 31 March 2018	2,163,899	3,423,845	-	-	-	5,587,744
Other Grants						
As at 1 April 2018	-	-	2,536,438	-	-	2,536,438
Additions in the year	-	-	-	-	-	-
As at 31 March 2019	-	-	2,536,438	-	-	2,536,438
Amortisation						
As at 1 April 2018	-	-	101,040	-	-	101,040
Amortisation in year	-	-	50,737	-	-	50,737
As at 31 March 2019	-	-	151,777	-	-	151,777
Net book value						
As at 31 March 2019	-	-	2,384,661	-	-	2,384,661
As at 31 March 2018	-	-	2,435,398	-	-	2,435,398
Total grants net book value as at 31 March 2019	3,334,258	2,583,083	2,384,661	-	-	8,302,002
Total grants net book value as at 31 March 2018	2,163,899	3,423,845	2,435,398	-	-	8,023,142

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

	2019 £	2018 £
Amounts due within one year	209,295	132,534
Amounts due in one year or more	8,092,707	7,890,608
	8,302,002	8,023,142

18. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	2019 £	2018 £
As at 1 April 2018	77	146
Issued in year	18	8
Cancelled in year	-	(74)
As at 31 March 2019	95	77

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.

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2019 No.	2018 No.
General Needs - Purchased by Association	<u>660</u>	<u>641</u>

20. RELATED PARTY TRANSACTIONS

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

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

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

	2019 £	2018 £
Rent received from tenants on the Management Committee and their close family members	<u>19,087</u>	<u>13,057</u>
Factoring charges received from factored owners on the Management Committee and their close family members	<u>3,305</u>	<u>421</u>

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £313 (2018 - £0).

At the year end total factoring arrears owed by the factored owners on the Management Committee (and their close family) were £9 (2018 - £136).

Members of the Management Committee who are tenants	3	-
Members of the Management Committee who are owner occupiers	5	-

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 20 Fara Street, Glasgow, G23 5AE.

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

22 MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £2,676 (2018 - £1,511) in the year by way of reimbursement of expenses. No remuneration is paid to Management Committee members in respect of their duties to the Association.

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

24 RETIREMENT BENEFIT OBLIGATIONS

The administering authority has responsibility for the management of the Fund. As most of the Fund's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the fund's assets. In order to mitigate this risk, the Fund holds a diverse investment portfolio with a range of investment managers.

At the balance sheet date, there was 3 active member of the scheme employed by the Association. Gross pensionable salaries for the year were £166,000.

The following figures are prepared by the Actuaries in accordance with their understanding of FRS 102 and Guidance Note 36: Accounting for Retirement Benefits under FRS 102 issued by the Institute and Faculty of Actuaries.

Principal Actuarial Assumptions

Assumptions as at	2019	2018	2017
	%p.a.	%p.a.	%p.a.
Salary increases	3.3%	3.2%	0.0%
Pension increases	3.3%	3.2%	0.0%
Discount rate	2.3%	2.6%	0.0%

The defined benefit obligation is estimated to comprise of the following:

	2019
	£000
Employee members	3
Deferred pensioners	10
Pensioners	6
	<hr/>
	19
	<hr/>

Mortality Rates

Life expectancy is based on the PFA92 and PMA92 tables, with mortality improvements projected based on members' individual year of birth. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males (Years)	Females (Years)
Current Pensioners	21.7	23.4
Future Pensioners	23.1	24.7

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RETIREMENT BENEFIT OBLIGATIONS

Fair value of scheme assets by category

	2019	2018
	£000	£000
Equities	1,101	1,070
Bonds	1,448	1,366
Property	203	149
Cash	3	5
	<u>2,755</u>	<u>2,590</u>

Net Pension Liability

	2019
	£000
Fair value of employer's assets	2,755
Present value of scheme liabilities	<u>(3,289)</u>
	<u>(534)</u>

Reconciliation of fair value of employer assets

	2019
	£000
Opening fair value of employer assets	2,590
Expected Return on Assets	142
Contributions by Members	-
Contributions by the Employer	84
Actuarial Gains / (Losses)	-
Estimated Benefits Paid	(61)
Closing fair value	<u>2,755</u>

Reconciliation of defined benefit obligations

	2019
	£000
Opening defined benefit obligation	2,944
Current Service Cost	3
Interest Cost	75
Contributions by members	-
Actuarial Gains	328
Estimated Benefits Paid	(61)
Closing defined benefit obligation	<u>3,289</u>

CADDER HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RETIREMENT BENEFIT OBLIGATIONS

Analysis of amount charged to the Income and Expenditure Account

	2019 £000
Charged to operating costs: Expenses	3
Charged to Other Finance Costs / (Income) Expected Return on employer assets	(67)
Interest on pension scheme liabilities	75
	8
Net Charge to the Income and Expenditure Account	11
Actuarial Gain / (Loss) recognised in Other Comprehensive Income	
	2019 £000
Actuarial gain/(loss) recognised in year	(253,000)
Cumulative actuarial gains	(253,000)