

CADDER HOUSING ASSOCIATION LIMITED

Report and Financial Statements

For the year ended 31st March 2021

Registered Housing Association No. HCB 270

FCA Reference No. 2436R(S)

Scottish Charity No. SC036455

CADDER HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

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**CADDER HOUSING ASSOCIATION LIMITED
MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS
YEAR ENDED 31 MARCH 2021**

MANAGEMENT COMMITTEE

Linda Brown	Chairperson
Gerard O'Donnell	Vice Chairperson
Jamila Flynn	Secretary
Helen McNab	
Adele Fraser	Appointed December 2020
Valerie Davies	Resigned March 2021
Kristina Bowie	
Linda Thomson	Resigned February 2021
Elizabeth Doherty	
Clare McGraw	
Stewart MacKenzie	Appointed May 2020

EXECUTIVE OFFICERS

Kenny Mollins	Director (Resigned September 2020)
Jacqueline Norwood	Interim Director (Sept 2020 to end October 2020)
Jill Cronin	Interim Director (from November 2020)
John McShane	Customer Services Manager (Redundancy March 2021)
Gerry Casey	Finance & Corporate Services Manager (Redundancy April 2021)
Malcolm Finnie	Interim Asset Manager

External Auditors:	Wylie & Bisset (Audit) Limited Chartered Accountants 168 Bath Street Glasgow G2 4TP	Internal Auditors:	TIAA Ltd 53-55 Gosport Business Centre Aerodrome Road Gosport
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Bankers:	Royal Bank of Scotland 129 Kirkintilloch Road Bishopbriggs G64 2LR
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Solicitors:	T C Young 7 West George Street Glasgow G20 0EQ	Solicitors:	Harper Macleod 45 Gordon Street Glasgow G1 3PE
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Registered Office:	20 Fara Street Glasgow G23 5AE
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CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD AND STRATEGIC REPORT FOR THE YEAR ENDED 31ST MARCH 2021

The Board presents their report and audited financial statements for the year ended 31 March 2021.

Principal activity

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.

STRATEGIC REPORT

Our Strategic Aims

Cadder Housing Association's Vision for the period 2020 to 2022 is "Making a Positive Difference to Your Home and Community"

We will achieve this Vision through our purpose, strategic objectives and our people demonstrating our values.

Our Purpose: "Delivering quality and affordable homes and changing the lives of Cadder's people"

Strategic

1. Mitigating the Impact of Covid 19
2. Improving our Housing Service
3. Improving our Housing Quality
4. Delivering Good Governance
5. Strengthening our Financial Sustainability
6. Transforming our Culture

The Association's Business Plan is reviewed every 3 years with interim annual reviews of our delivery plans and work programme to achieve our strategic aims and purposes.

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD AND STRATEGIC REPORT FOR THE YEAR ENDED 31ST MARCH 2021

(continued)

Corporate Governance

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.

The Association is governed by a Management Committee, which leads, manages and directs the organisation to meet the needs and expectations of our tenants and other customers, and to achieve our strategic aims. The Management Committee has improved its capability to ensure there is effective governance through the recruitment of new members with particular skills and a programme of training and development.

The Association completed its second Assurance statement in November 2020 in compliance with the Scottish Housing regulators requirements. The Association has achieved compliance in the Regulatory Standards of Governance and Financial management and the Scottish Social Housing Charter - Achievement of Charter Outcomes, but is continuing to work to strengthen this.

Achievements and performance

The lockdown implemented in March 2020 to mitigate against the Covid-19 pandemic resulted in CHA offices being closed and staff working from home to discharge essential services, in line with Scottish Government guidance. The easing of some restrictions saw staff being able to work from the office on a rota basis with all possible safety measures and risk assessments being put in place to protect both staff and customers.

The planned investment programme has been minimal during 2020/21 as a result of the Covid-19 pandemic. Restrictions in place have meant that we were unable to enter people's homes other than for emergency repairs and safety and compliance works for much of the 12 months. During this period, and following review, Management Committee took the decision to contract out the repairs and maintenance service and to TUPE transfer the Trade Team to the new contractor. The tender and transfer processes took place during December 2020 to June 2021.

Following review of the Business Plan and work to consider the overall culture of the organisation, a major structural review was undertaken and implemented. This reflected the aims of the Management Committee to reduce the overall complexities of the organisation and to concentrate on improving core services. The staff restructure took place during January to May 2021 and resulted in a significant number of staff leaving the organisation, including all senior management staff. The Interim Director recruited an interim senior management team which has successfully delivered on the change programme whilst continuing to deliver day to day services.

A residents satisfaction survey was carried out during the latter part of 2020. Whilst satisfaction in some areas was good, many areas fell below what we would expect, particularly relating to the environment and close cleaning. Whilst satisfaction may be lower as a result of reduced services whilst the office has been closed, this has highlighted areas for improvement, many of which are being worked on through the changes to the staff structure and to how we undertake our day-to-day duties.

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD AND STRATEGIC REPORT FOR THE YEAR ENDED 31ST MARCH 2021

(continued)

Development and maintenance review

During the year the development of the former St Agnes Primary school site on Tresta Road was completed with the handover of the remaining 34 properties in the 50 unit development. The last properties were handed over in May 2019 and were quickly occupied by tenants.

The Association continues to invest in its housing stock and provide a programme of improvements to our tenants' homes. Our programme of planned improvements and cyclical works in 2020-22 includes:

1. Kitchen Installation programme
2. Installation of Veranda screens
3. Installation of new smoke and CO2 detection systems
4. Phase 2 and 3 of our 5 year electrical checks programme

Welfare Reform

We seek to mitigate the impact of Welfare reform on both the Association and its tenants through our Financial Inclusion Team. Through the restructure which took place in the early part of 2021, the Association sought to consolidate the service through the provision of one Money Advice Officer post as opposed to the previous structure where there were two part time posts. This officer assists customers in managing their benefit claims and any other financial issues that they may have.

Community Regeneration

The Association provides a range of facilities and services in the Cadder area.

The Community Centre provides a range of amenities including function rooms, a local café, gym and IT suite facilities for use by the local community. The Centre also provides a range of services to the community through grant funding. The Community Centre was closed during the 2020/21 financial year as a result of the covid-19 lockdown and has remained closed pending the easing of restrictions and the updating of the community centre business plan.

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD AND STRATEGIC REPORT FOR THE YEAR ENDED 31ST MARCH 2021

(continued)

Financial Review

The Association generated a surplus of £540,581 in the 2020/21 financial year (19/20-£420,517). The increase in the annual surplus mainly reflects higher rental income partly as a result of the new build properties being available for rent for a full financial year, lower void losses, a reduction in maintenance costs due to the impact of covid and lower net interest costs. These savings were offset to an extent via costs incurred in reorganising the staffing structure within the organisation.

Treasury management

The Association adopts a policy of investing in cash based investment only with a cash balance of £2.99m at the year- end (19/20-£2.79m).

The loan portfolio held by the Association aims to mitigate the financial risks by operating a mix of fixed and variable rate loans. The loans are provided by 3 different lenders to diversify the potential risk from any single lender.

Pensions

During the 2018/19 financial 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 annual actuarial valuation or the Association's share of the scheme assets and liabilities. The 20/21 annual update resulted in a loss of £406k. In the previous year a gain of £409k resulted and annual movements are expected to continue to be volatile. The gain/(loss) 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 adjustments required.

Risk management policy

The Association reviewed and updated its Risk Management Policy in 2019/20.

The Corporate Risk Register is subject to a review as part of the annual business planning process to identify the key risks faced by the Association. The risk register is reviewed on a quarterly basis to ensure that the appropriate control measures to mitigate risks are being adopted as part of the governance processes.

Maintenance policies

The Association has a suite of policies to support the delivery of the property service and ensure we meet legislative and regulatory requirements, provide a high quality and responsive service and achieve best practice. These are subject to regular review.

CADDER HOUSING ASSOCIATION LIMITED
REPORT OF THE BOARD AND STRATEGIC REPORT FOR THE YEAR ENDED 31ST MARCH 2021

MANAGEMENT COMMITTEE AND EXECUTIVE TEAM

Members of the Management Committee

The Members of the Management Committee of the Association during the year to 31 March 2021 were as follows:

Linda Brown		Kristina Bowie	
Gerard O'Donnell		Linda Thomson	Resigned February 2021
Jamila Flynn		Elizabeth Doherty	
Helen McNab		Clare McGraw	
Adele Fraser	Appointed December 2020	Stewart MacKenzie	Appointed May 2020
Valerie Davies	Resigned March 2021		

Each member of the Management Committee holds one fully paid share of £1 in the Association. The executive officers of the Association hold no interest in the Association's share capital and although not having the legal status of "director" they act as executives within the authority delegated by the Management Committee.

Executive Team - key management personnel

Kenny Mollins	Director (Resigned September 2020)
Jacqueline Norwood	Interim Director (Sept 2020 to end October 2020)
Jill Cronin	Interim Director (from November 2020)
John McShane	Customer Services Manager (Redundancy March 2021)
Gerry Casey	Finance & Corporate Services Manager (Redundancy April 2021)
Malcolm Finnie	Interim Asset Manager

The remuneration of all employed staff in the Association is calculated in relation to the salary scales set by Employers in Voluntary Housing.

Recruitment and training of Management Committee members

The Association actively seeks to recruit Management Committee Members that will have the required skills, knowledge and experience to provide the strategic leadership for the Association.

An annual training programme is run for the Management Committee Members, delivered through a mix of external trainers and internal staff. The training includes an annual mini-conference over a weekend for the Management Committee Member to attend to the Committee's training and improve relations and team building.

Related Parties

The financial transaction in relation to related parties are shown in note 18 of the accounts.

In addition to the financial transaction disclosed the Association works with Cadderhills Café a local voluntary organisation where members of the Associations Management Committee are also on the management body of Cadderhills Cafe. The members of Cadderhills Cafe volunteer in the Association's Community Centre Cafe. The Association also supports the Cadderhills Cafe's fundraising activities through assistance from the Community Centre staff.

CADDER HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD AND STRATEGIC REPORT FOR THE YEAR ENDED 31ST MARCH 2021

(continued)

Future Developments

The Association reviewed the potential for future developments as part of the review of the Business Plan 2020-22. There are ambitions to further regenerate the Cadder area with new housing, shops, recreational & leisure facilities, improved connections to the community forest and canal, as well as to improve traffic management within the area. There has been no progress during 2020/21 as a result both of covid-19 restrictions and because of the necessity to complete the business plan review, restructure and cultural change prior to more developmental plans being progressed.

The impact of Coronavirus, lockdown and social distancing measures has meant an overall reduced level of mainstream planned investment in 2020/21. Ongoing work on assessing the impact and alteration to the investment programme are being undertaken to update the Financial Business Plans of the Association and a stock condition survey will be carried out in Autumn 2021, subject to covid-19 restrictions.

Post balance sheet events

There were no material Post Balance Sheet events required to be disclosed.

Going concern

The Association produces annual budgets and long term financial plans covering a 30 year period. The financial planning undertaken indicates that the Association's business plan is financial viable and will allow the Association to meet its financial commitments as a going concern.

Information for auditors

As far as the Management Committee are aware there is no relevant audit information of which the auditors are unaware. Management Committee has taken all possible steps to make themselves aware of any relevant audit information and to ensure that the auditors are aware of any such information.

On behalf of the Board



Jamila Flynn
Secretary

20 Fara Street
Glasgow
G23 5AE

Date: 02 September 2021

CADDER HOUSING ASSOCIATION LIMITED

STATEMENT OF MANAGEMENT COMMITTEE RESPONSIBILITIES FOR THE YEAR ENDED 31ST MARCH 2021

The Management Committee is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Under the legislation relating to Co-operative and Community Benefit Societies the Management Committee are required 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 of that period. In preparing those financial statements the Management Committee are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the RSL SORP and FRS 102;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Management Committee is also responsible for:

- keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the RSL and enable them to ensure that the financial statements comply with the the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements – 2019;
- safeguarding the Association's assets; and
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

CADDER HOUSING ASSOCIATION LIMITED
MANAGEMENT COMMITTEE'S STATEMENT ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31ST MARCH 2021

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

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

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

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

The Management Committee have reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2021 and until the below date. No weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditors' report in the financial statements.

On behalf of the Management Committee



Jamila Flynn
Secretary

Date: 02 September 2021

CADDER HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF CADDER HOUSING ASSOCIATION LIMITED ON INTERNAL FINANCIAL CONTROLS FOR THE YEAR ENDED 31 MARCH 2021

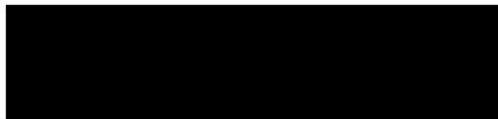
In addition to our audit of the Financial Statements, we have reviewed your statement on page 9 concerning the Association's compliance with the information required by the Regulatory Standards for systemically important RSLs in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

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



Wylie & Bisset (Audit) Limited, Statutory Auditor
Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

Date: 02 September 2021

CADDER HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CADDER HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Cadder Housing Association (the 'Association') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and Notes to the financial statements, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Communities Benefit Societies Act 2014, the Housing (Scotland) Act 2010, 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

In auditing the financial statements, we have concluded that the board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the associations' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board with respect to going concern are described in the relevant sections of this report.

Other information

The Board of Management are 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 report that fact

We have nothing to report in this regard.

CADDER HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CADDER HOUSING ASSOCIATION LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Board of Managements' Report.

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:

- The information given in the Report of the Board of Management is inconsistent with the Financial Statements;
- Proper books of accounts 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 requirement of the legislation;
- The financial statements are not in agreement with the books of accounts; or
- We have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.

Responsibilities of the Board of Management

As explained more fully in the Boards' Responsibilities Statement set out on page 8, the Board of Management 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 Board of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management are 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 Board of Management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

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

CADDER HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CADDER HOUSING ASSOCIATION LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures in response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following:

- *The nature of the association and the industry, control environment and business performance including performance targets; and*
- *Our enquiries of management about their identification and assessment of the risks of irregularities.*

Based on our understanding of the association and the industry we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- *Regulations and legislation pertinent to the company's industry operations including compliance with the Scottish Housing Regulator; and*
- *UK tax legislation.*

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- *Posting inappropriate journal entries; and*
- *Management bias in accounting estimates.*

CADDER HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CADDER HOUSING ASSOCIATION LIMITED

Audit response to the risks identified:

Our procedures to respond to the risks identified included the following:

- *Gaining an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates including the requirements of the Scottish Housing Regulator;*
- *Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;*
- *Enquiring of management and legal advisors concerning actual and potential litigation and claims;*
- *Reviewing correspondence with HMRC;*
- *In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments' assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and, evaluating business rationale of any significant transactions that are unusual or outside the normal course of business.*

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would be to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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



Wylie & Bisset (Audit) Limited, Statutory Auditor

Chartered Accountants

168 Bath Street, Glasgow, G2 4TP

Date:

CADDER HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2021

		2021	2020
	Notes	£	£
Revenue	2	3,753,284	3,619,785
Operating costs	2	(3,084,523)	(3,029,278)
Operating surplus		<u>668,761</u>	<u>590,507</u>
Interest receivable and other income		1,538	8,717
Interest payable and other charges	4	(138,130)	(166,707)
Other finance charges		<u>(1,000)</u>	<u>(12,000)</u>
Surplus for the year		531,169	420,517
Initial recognition of multi employers defined benefit scheme		-	0
Actuarial gain/(loss) in respect of pension schemes		(406,000)	409,000
Total Comprehensive Income		<u><u>125,169</u></u>	<u><u>829,517</u></u>

All amounts relate to continuing operations. The notes on pages 18 - 35 form part of these financial statements.

CADDER HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2021

	Notes	£	2021 £	£	2020 £
Tangible Fixed Assets					
Housing Properties - Depreciated Cost	7		15,806,528		16,245,428
Other Non Current Assets	8		<u>3,441,881</u>		<u>3,419,701</u>
			19,248,409		19,665,129
Current Assets					
Debtors	9	178,224		203,706	
Stock of maintenance materials		108,225		126,030	
Investments - short term bank deposits		0		0	
Cash at bank and in hand		<u>2,990,660</u>		<u>2,789,729</u>	
		3,277,109		3,119,465	
Current Liabilities					
Creditors falling due within one year	10	<u>(1,557,142)</u>		<u>(1,441,328)</u>	
Net Current Assets			<u>1,719,967</u>		<u>1,678,137</u>
Total Assets Less Current Liabilities			20,968,376		21,343,265
Creditors due after one year	11		(4,993,630)		(5,604,086)
Deferred Income	13		(7,674,099)		(7,883,400)
Provision for pension liability	19		<u>(373,000)</u>		<u>(53,296)</u>
			<u>7,927,648</u>		<u>7,802,484</u>
Capital and Reserves					
Share Capital	14		88		93
Revenue Reserves			8,300,560		7,855,687
Pension Reserve			<u>(373,000)</u>		<u>(53,296)</u>
			<u>7,927,648</u>		<u>7,802,484</u>

These financial statements were approved and authorised for issue by the Board on 02 September 2021 and signed on their behalf by:

Chairperson: 

Vice Chairperson: 

Secretary: 

The notes on pages 18 - 35 form part of these financial statements.

CADDER HOUSING ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2021

	Notes	£	2021 £	2020 £
Net cash inflow from operating activities	15		1,315,163	974,526
Investing activities				
Cash paid for construction and purchases		(170,752)		(525,464)
Housing association grant received		-		-
Housing association grant repaid		-		-
Other grants received		-		-
Sales of housing properties		-		-
Purchase of other fixed assets		(152,475)		(60,791)
Changes on short term deposits with banks		<u>0</u>		<u>1,000,000</u>
Net cash inflow/(outflow) from investing activities			(323,227)	413,745
Financing				
Interest received on cash and cash equivalents		1,538		8,717
Interest paid		(138,130)		(166,707)
Loan principal repayments		(654,414)		(507,818)
Loans received		-		-
Share capital issued		<u>1</u>		<u>12</u>
Net cash outflow from financing			(791,005)	(665,796)
(Decrease)/increase in cash			<u>200,931</u>	<u>722,475</u>
Opening cash and cash equivalents			<u>2,789,729</u>	<u>2,067,254</u>
Closing cash and cash equivalents			<u><u>2,990,660</u></u>	<u><u>2,789,729</u></u>

The notes on pages 18 - 35 form part of these financial statements.

CADDER HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

	Share Capital	Pension Reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1st April 2019	95 -	534,000	7,506,874	6,972,969
Issue of shares	12	-	-	12
Cancellation of shares	- 14	-	-	14
Surplus for the year	-	-	420,517	420,517
Initial recognition of multi employer pension schemes.	-	0	-	0
Actuarial gain/(loss) in respect of pension schemes	-	409,000	-	409,000
Transfer between reserves	-	71,704	(71,704)	-
Balance as at 31st March 2020	93	(53,296)	7,855,687	7,802,484
Balance as at 1st April 2020	93	(53,296)	7,855,687	7,802,484
Issue of shares	1	-	-	1
Cancellation of shares	(6)	-	-	(6)
Surplus for the year	-	-	531,169	531,169
Actuarial gain/(loss) in respect of pension schemes	-	(406,000)	-	(406,000)
Transfer between reserves	-	86,296	(86,296)	-
Balance as at 31st March 2021	88	(373,000)	8,300,560	7,927,648

The notes on pages 18 - 35 form part of these financial statements.

CADDER HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

1 Accounting Policies

(a) 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 2018. The Association is a Public Benefit Entity in terms of its compliance with the triennial version of Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2019.

The accounts are prepared in sterling and are rounded to the nearest whole pound.

(b) 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 2018, 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.

(c) 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.

(d) 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.

(e) 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 7. 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 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
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

1 Accounting Policies (continued)

(f) 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
Trade & Estates Equipment	20% straight line

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

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) Capitalisation of Development Overheads

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

(l) Development Interest

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

(m) Stocks

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

1 Accounting Policies (continued)

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. The Pension Trust have developed a method of calculating each members share of the assets and liabilities of the scheme during the 2018/19 year. 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.

e) 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 Associations 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 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 estimates performed by the Pension Trust.

CADDER HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

2 Particulars of revenue, operating costs, operating surplus or deficit

	Note	2021		2020			
		Turnover £	Operating costs £	Operating Surplus/ (deficit) £	Turnover £	Operating costs £	Operating Surplus/ (deficit) £
Social lettings	3a	3,522,820	(2,697,804)	825,016	3,352,932	(2,630,182)	722,750
Other activities	3b	230,464	(386,719)	(156,255)	266,853	(399,096)	(132,243)
Total		3,753,284	(3,084,523)	668,761	3,619,785	(3,029,278)	590,507

CADDER HOUSING ASSOCIATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

3a Particulars of turnover, operating costs and operating surplus/(deficit) from social letting activities

	General Needs Housing		2021	2020
Income from lettings				
Rent receivable net of service charge	3,304,306	3,304,306	3,304,306	3,179,617
Service charges	-	-	-	-
Gross income from rents and service charges	<u>3,304,306</u>	<u>3,304,306</u>	<u>3,304,306</u>	<u>3,179,617</u>
Less: Voids	24,441	24,441	24,441	41,063
Net Income from rents and service charges	<u>3,279,865</u>	<u>3,279,865</u>	<u>3,279,865</u>	<u>3,138,554</u>
Amortisation of Social Housing and other grants	158,564	158,564	158,564	158,564
Grants from the Scottish Ministers	-	-	-	-
Grants from local authorities and other agencies	84,391	84,391	84,391	55,813
Other income	-	-	-	-
Total turnover from social letting activities	<u>3,522,820</u>	<u>3,522,820</u>	<u>3,522,820</u>	<u>3,352,932</u>
Management and maintenance administration costs				
Service costs	1,618,499	1,618,499	1,618,499	1,362,345
Planned and cyclical maintenance	25,002	25,002	25,002	39,616
Reactive maintenance costs	128,713	128,713	128,713	234,973
Bad debts - rents and service charges	260,079	260,079	260,079	314,328
Depreciation of social housing	55,859	55,859	55,859	54,256
Operating costs for social housing activities	<u>609,652</u>	<u>609,652</u>	<u>609,652</u>	<u>624,663</u>
Operating surplus for social lettings	<u>2,697,804</u>	<u>2,697,804</u>	<u>2,697,804</u>	<u>2,630,181</u>
Operating surplus for social lettings	<u>825,016</u>	<u>825,016</u>	<u>825,016</u>	<u>722,750</u>
2020	<u>722,750</u>	<u>722,750</u>	<u>722,750</u>	<u>722,750</u>

CADDER HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

3b Particulars of turnover, operating costs and operating surplus or deficit from other activities

	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	Total turnover £	Operating costs - bad debts £	Other operating costs £	Operating surplus/(deficit) £	Operating surplus/ (deficit) for previous period of account £
Wider role activities	-	-	-	-	-	-	(80,427)	(80,427)	(88,431)
Factoring	-	-	-	105,252	105,252	(7,126)	(98,293)	(167)	(4,592)
Community Centre	19,969	-	-	52,703	72,672	-	(134,960)	(62,288)	(99,012)
Other Income	-	-	-	1,803	1,803	-	-	1,803	71,697
Community Centre Depreciation	-	50,737	-	-	50,737	-	(65,913)	(15,176)	(12,409)
Rechargeable repairs	-	-	-	-	-	-	-	-	504
Total from other activities	19,969	50,737	-	159,758	230,464	(7,126)	(379,593)	(156,255)	(132,243)
2020	-	50,737	-	216,116	266,853	(5,013)	(394,083)	(132,243)	

CADDER HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

4 Interest payable and Other Charges	2021	2020
	£	£
Loan interest on housing properties	138,130	166,707
Other interest	-	-
	<u>138,130</u>	<u>166,707</u>
Less: loan interest capitalised	-	-
	<u><u>138,130</u></u>	<u><u>166,707</u></u>

Interest capitalised was incurred at varying rates of interest.

5 Taxation

The Association has charitable status and is no longer liable for tax on its ordinary activities.

6 Surplus for the year

	2021	2020
	£	£
Surplus for the year is stated after charging/(crediting):-		
Depreciation - Housing Properties	609,652	623,774
Depreciation - Other Tangible Assets	<u>130,295</u>	<u>145,844</u>
	739,947	769,618
External Auditors Remuneration - Audit services	6,600	6,600
External Auditors Remuneration - Other services	-	-
Operating lease rentals - other	9,936	1,657
Operating lease rentals - land & buildings	<u>4,560</u>	<u>4,560</u>

CADDER HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

7 Non-Current Assets - Housing Properties

	Housing Properties Held for Letting £	Housing Properties in Course of Construction £	Completed Shared Ownership Properties £	Total £
Cost				
At 1 April 2020	22,321,900	-	-	22,321,900
Additions	170,752	-	-	170,752
Disposals	(77,794)	-	-	(77,794)
Transfers	-	-	-	-
At 31 March 2021	<u>22,414,858</u>	<u>-</u>	<u>-</u>	<u>22,414,858</u>
Depreciation				
At 1 April 2020	6,076,472	-	-	6,076,472
Charge in year	609,652	-	-	609,652
Disposals	(77,794)	-	-	(77,794)
Transfers	-	-	-	-
At 31 March 2021	<u>6,608,330</u>	<u>-</u>	<u>-</u>	<u>6,608,330</u>
Net Book Value				
As at 31 March 2021	<u>15,806,528</u>	<u>-</u>	<u>-</u>	<u>15,806,528</u>
As at 31 March 2020	<u>16,245,428</u>	<u>-</u>	<u>-</u>	<u>16,245,428</u>

All land and housing properties are heritable.

Total expenditure on existing properties in the year amounted £559,544 (2020-£894,732). The amount capitalised is £170,752 (2020-£345,431) with the balance charged to the statement of comprehensive income. The amount capitalised includes component replacements of £157,200 (2020-£345,431).

The Association's Lenders have standard securities over Housing Properties with a carrying value of £10,476,950 (2020-£15,117,052).

CADDER HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

8 Non Current Assets - Other Tangible Assets

	Office Premises £	Furniture & Equipment £	Computer Equipment £	Other £	Total £
Cost					
At 1 April 2020	474,747	495,124	75,366	3,157,324	4,202,561
Additions	138,340	2,802	11,333	-	152,475
Disposals	-	119,478	0	-	(119,478)
At 31 March 2021	<u>613,087</u>	<u>378,448</u>	<u>86,699</u>	<u>3,157,324</u>	<u>4,235,558</u>
Depreciation					
At 1 April 2020	42,972	448,530	38,798	252,560	782,860
Charge for year	9,495	29,086	25,801	65,913	130,295
Disposals	-	119,478	0	-	(119,478)
At 31 March 2021	<u>52,467</u>	<u>358,138</u>	<u>64,600</u>	<u>318,473</u>	<u>793,677</u>
Net Book Value					
As at 31 March 2021	<u>560,620</u>	<u>20,310</u>	<u>22,099</u>	<u>2,838,851</u>	<u>3,441,881</u>
As at 31 March 2020	<u>431,775</u>	<u>46,594</u>	<u>36,568</u>	<u>2,904,764</u>	<u>3,419,701</u>

9 Debtors: Amounts falling due within one year

	2021 £	2020 £
Arrears of Rent & Service Charges	219,670	185,545
Less: Bad Debt Provision	(132,833)	(92,158)
	<u>86,837</u>	<u>93,387</u>
Trade Debtors	21,806	28,630
Prepayments and Accrued Income	18,578	29,797
Other Debtors	<u>51,003</u>	<u>51,892</u>
	<u>178,224</u>	<u>203,706</u>

10 Creditors: Amount due within one year

	2021 £	2020 £
Housing Loans (Note 12)	609,594	653,551
Trade Creditors	81,072	62,231
Other Taxation and Social Security	21,395	21,014
Other Creditors	24,971	-
Deferred Income	209,301	209,301
Accruals & Deferred Income	530,237	433,584
Rent Received in Advance	<u>80,572</u>	<u>61,647</u>
	<u>1,557,142</u>	<u>1,441,328</u>

At the Balance Sheet date there were pension contributions outstanding of £7,021 (2020 - £10,095)

CADDER HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

11 Creditors: Amounts due after more than one year

		2021	2020
		£	£
Housing Loans	(Note 12)	4,993,630	5,604,086
Other		-	-
		<u>4,993,630</u>	<u>5,604,086</u>

12 Housing Loans

Amounts due within one year	(Note 10)	609,594	653,551
Amounts due between one and two years		603,332	609,593
Amounts due between two and five years		1,434,996	1,834,057
Amounts due greater than five years		2,955,302	3,160,436
Total Housing Loans		<u>5,603,224</u>	<u>6,257,637</u>
Less: Amounts shown in Current Liabilities		<u>(609,594)</u>	<u>(653,551)</u>
		<u>4,993,630</u>	<u>5,604,086</u>

The association has a number of long term housing loans the terms of which are as follows:

Lender	Security	Effective Interest Rate	Maturity	Variable/Fixed
Cooperative Bank	Standard security over 224 properties	1.50%	2028	Fixed & Variable
Royal Bank of Scotland	Standard security over 122 properties	3.00%	2024	Fixed
Bank of Scotland	Standard security over 114 properties	3.60%	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.

13 Deferred income

	Housing Properties Held for Letting	Housing Properties In course of Construction	Completed Shared Ownership Properties	Total
	£	£	£	£
Social Housing Grant				
Balance as at 1 April 2020	7,927,932	-	-	7,927,932
Additions in the year	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 March 2021	<u>7,927,932</u>	<u>-</u>	<u>-</u>	<u>7,927,932</u>
Amortisation				
Balance as at 1 April 2020	2,169,155	-	-	2,169,155
Amortisation in the year	158,564	-	-	158,564
Transfers	-	-	-	-
Balance as at 31 March 2021	<u>2,327,719</u>	<u>-</u>	<u>-</u>	<u>2,327,719</u>
Net Book Value				
As at 31 March 2021	<u>5,600,213</u>	<u>-</u>	<u>-</u>	<u>5,600,213</u>
As at 31 March 2020	<u>5,758,777</u>	<u>-</u>	<u>-</u>	<u>5,758,777</u>

CADDER HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

13 Deferred income (continued)

	Other Fixed Assets	Total
Other Grant	£	£
Balance as at 1 April 2020	2,536,438	2,536,438
Additions in the year	-	-
Transfers	-	-
Balance as at 31 March 2021	<u>2,536,438</u>	<u>2,536,438</u>
Amortisation		
Balance as at 1 April 2020	202,514	202,514
Transfers	-	-
Amortisation in the year	<u>50,737</u>	<u>50,737</u>
Balance as at 31 March 2021	<u>253,251</u>	<u>253,251</u>
Net Book Value		
As at 31 March 2021	<u>2,283,187</u>	<u>2,283,187</u>
As at 31 March 2020	<u>2,333,924</u>	<u>2,333,924</u>

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

	2021
	£
Due within one year	209,301
Due in one year or more	<u>7,674,099</u>
	<u>7,883,400</u>

14 Share Capital

	2021	2020
	No.	No.
Shares of £1 fully paid and issued at 1 April	93	95
Shares issued during the year	1	12
Shares cancelled in the year	<u>(6)</u>	<u>-</u> 14.00
Shares issued at 31 March	<u>88</u>	<u>93</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.

CADDER HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

15 Statement of Cashflow

	2021	2020
	£	£
Reconciliation of operating surplus to balance as at 1st April 2020		
Operating surplus for the year	531,169	420,517
Depreciation - housing properties	609,652	624,663
Depreciation - other assets	130,295	145,844
Amortisation of capital grants	(209,301)	(209,301)
Change in stock	17,805	(47,033)
Change in debtors	25,482	(56,578)
Change in creditors	159,771	10,147
Unwinding of Discount on pension liability	(86,296)	(71,709)
Transfer of Interest to financial activities	136,592	157,990
Share capital cancelled	(6)	(14)
	<u>1,315,163</u>	<u>974,526</u>

Reconciliation of net cash flow to movement in net debt

	2021		2020	
	£	£	£	£
Increase/(Decrease) in cash	200,931		722,475	
Cashflow from change in net debt	<u>654,413</u>		<u>(1,000,000)</u>	
Movement in net debt during the year		855,345		(277,525)
Net debt as at 1st April 2020		<u>(3,360,163)</u>		<u>(3,082,638)</u>
Net debt as at 31st March 2021		<u>(2,504,819)</u>		<u>(3,360,163)</u>

Analysis of changes in net debt	As at 1st April 2020	Cashflows	Other Changes	As at 31st March 2021
Cash at bank and in hand	2,789,729	200,931	-	2,990,660
Bank overdrafts	-	-	-	-
	<u>2,789,729</u>	<u>200,931</u>	<u>-</u>	<u>2,990,660</u>
Liquid resources	-	0	-	-
Debt: Due within one year	(653,551)	43,957	-	(609,594)
Debt: Due after more than one year	(5,604,086)	610,456	-	(4,993,630)
Net Debt	<u>(3,467,908)</u>	<u>855,345</u>	<u>0</u>	<u>(2,612,564)</u>

16 Housing Stock

	2021	2020
	No.	No.
The number of units in management at 31 March was as follows:		
General Needs	<u>694</u>	<u>694</u>

CADDER HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

17 Employees

	2021	2020
	£	£
Wages and salaries	1,204,824	1,097,184
Social security costs	77,247	92,476
Other pension costs	68,571	106,569
Temporary, Agency and Seconded staff	79,052	43,309
	<u>1,429,694</u>	<u>1,339,538</u>

The number of persons employed by the Association during the year were as follows:

	No.	No.
Full time equivalent	<u>37</u>	<u>35</u>
Average total number	<u>39</u>	<u>46</u>
	£	£
Emoluments payable to key management personnel earning over £60k (excluding pension contributions)	<u>266,764</u>	<u>190,077</u>
Emoluments payable to all key management personnel (without pension contributions)	<u>347,328</u>	<u>219,480</u>
Emoluments payable to the Director (excluding pension contributions)	141,327	78,276
Pension contributions for the Director	<u>5,536</u>	<u>8,307</u>
	<u>146,863</u>	<u>86,583</u>
Total emoluments paid to the key management personnel	<u>364,706</u>	<u>241,626</u>

Emoluments over £60,000 including pension contributions paid to key management personnel can be analysed as follows:

	No.	No.
£60,001 - £70,000	-	2
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	-	-
£100,001 - £110,000	2	-
	No.	No.
Compensation for loss of office for key management personnel	<u>3</u>	<u>-</u>
	£	£
Compensation for loss of office for key management personnel	<u>83,486</u>	<u>-</u>
	£	£
Expenses paid to the Board	<u>1,851</u>	<u>2,491</u>

Expenses paid to the board are reimbursement of expenses. No remuneration is paid to the Board members in respect of their duties to the Association.

CADDER HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

18 Related parties

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;

	2021	2020
	£	£
Rent received from tenants on the Management Committee and their close family members	<u>9,140</u>	<u>14,094</u>
Factoring charges received from factored owners on the Management Committee and their close family members.	<u>2,427</u>	<u>2,998</u>
Rental Arrears at the year end	<u>21</u>	<u>(196)</u>
Factoring Arrears at the year end	<u>49</u>	<u>(124)</u>
Members of the Management Committee who are tenants	<u>-</u>	<u>2</u>
Members of the Management Committee who are owner occupiers	<u>5</u>	<u>5</u>

19 Pension Fund - Scottish Housing Association Pension Scheme

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A Recovery Plan has been put in place to eliminate the deficit which runs to 30 September 2022 for the majority of employers, although certain employers have different arrangements.

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

For financial years ending on or before 31 March 2019, it has not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, two actuarial valuations for the scheme were carried out with effective dates of 31 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus at the accounting period start and end dates.

CADDER HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

19 Pension Fund - Scottish Housing Association Pension Scheme

(continued)

The assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increases in salary and pensions. The principal actuarial assumptions at the at the year end were as follows:

	2021	2020
Discount rate	2.17%	2.38%
Pension increases	3.30%	2.60%
Future salary increases	3.86%	2.62%
Allowance for commutation of pension for cash at retirement	75.0%	75.0%

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies for a 65-year old to live for a number of years as follows:

	Male (Years)	Female (Years)
Current pensioners	21.5	23.4
Future pensioners	22.8	25.0

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Fair value of scheme assets by category	2021 £000	2020 £000
Equities	1,501	1,288
Bonds	1,311	1,323
Property	304	300
Cash	24	22
	<u>3,140</u>	<u>2,933</u>

The present value of the defined benefit obligation is as follows:

	£000
Opening defined benefit obligation	2,987
Current service cost	-
Expenses	3
Interest expense	71
Contributions by plan participants	-
Actuarial losses/(gains) due to scheme experience	(149)
Actuarial losses/(gains) due to changes in demographic assumptions	0
Actuarial losses/(gains) due to changes in financial assumptions	637
Liabilities extinguished on settlements	(36)
Liabilities assumed in a business combination	-
Benefits paid and expenses	-
Closing defined benefit obligation	<u>3,513</u>
Movements in fair value of plan assets	
Opening fair value of plan assets	2,933
Interest income	70
Experience on plan assets	82
Contributions by the employer	91
Contributions by plan participants	-
Expected return on assets	-
Benefits paid and expenses	(36)
Closing fair value of plan assets	<u>3,140</u>

CADDER HOUSING ASSOCIATION LIMITED
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19 Pension Fund - Scottish Housing Association Pension Scheme	(continued)
	2021
	£000
Defined benefit costs recognised in statement of comprehensive income	
Current service cost	-
Expenses	3
Net interest expense	1
	<u>4</u>
Defined benefit costs recognised in SOCI	
Defined benefit costs recognised in other comprehensive income	
Experience on plan assets (excluding amount in interest)	82
Experience gains and losses arising on the plan liabilities	149
Effect of changes in the demographic assumption underlying the present value of the defined benefit obligation	0
Effect of changes in the financial assumptions underlying the present value of the defined benefit obligation	-637
	<u>(406)</u>
Defined benefit costs recognised in OCI	
	<u>(406)</u>
Movement in deficit during the year	
(Deficit) at the beginning of the year	(54)
Current service cost	0
Losses on settlements or curtailments	-
Employer contributions	88
Past service cost	-
Net interest expense	(1)
Actuarial gain/(losses)	(406)
(Deficit) at the end of the year	<u>(373)</u>
The amounts recognised in the balance sheet are as follows:	
	2021
	£000
Present value of scheme liabilities	(3,513)
Fair value of scheme assets	3,140
(Deficit)	<u>(373)</u>

The Association expects to contribute £87,910 to the Scottish Housing Associations Pension Scheme in the coming year.

CADDER HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

20 Capital Commitments

	2021	2020
	£	£
Capital Expenditure that has been contracted for but no been provided for in the Financial Statements	-	-

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

21 Commitments under operating leases

At 31 March 2021 the Association had commitments under non-cancellable operating leases as set out below:

	2021		2020	
	Land & buildings	Other items	Land & buildings	Other items
Within 1 year	4,560	4,968	4,560	1,656
Within 2 - 5 years	-	4,968	4,560	3,312
Over 5 years	-	-	-	-
	<u>4,560</u>	<u>9,936</u>	<u>9,120</u>	<u>4,968</u>

22 Details of the Association

The Association is a Registered Society with the Financial Conduct Authority under reference 2436R(S) and is domiciled in Scotland.

The Associations principal place of business is 20 Fara Street, Glasgow, G23 5AE.

The Association is a Registered Social Landlord with reference HCB 270 and a Scottish Charity with reference SC036455 that owns and manages social housing property in Glasgow.

23 Prior Year Restatement

Staff cost allocations for in house labour staff have been altered in the year to 31 March 2021. The prior year figures have also been amended to be consistent with the allocation under the new process.

This has resulted in a reallocation of staff costs across the expenditure headings noted in note 3a; £301,524 has been reallocated from Service costs, Planned and cyclical maintenance and Reactive maintenance costs to Management and maintenance administration costs.

There has been no change to the total operating costs for social housing activities of £2,630,181 as previously stated.

The prior year adjustment had no impact on opening reserves at 1 April 2020 and no impact on the reported result for the year to 31 March 2020.