

**CADDER HOUSING ASSOCIATION LIMITED**

**Report and Financial Statements**

**For the year ended 31st March 2022**

**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 2022**

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**CADDER HOUSING ASSOCIATION LIMITED  
BOARD OF DIRECTORS, EXECUTIVES AND ADVISERS  
YEAR ENDED 31 MARCH 2022**

**BOARD OF DIRECTORS**

Linda Brown	Chairperson
Gerald O'Donnell	Vice Chairperson
Jamila Flynn	Secretary
Kristina Bowie	Chair of Audit & HR Committee
Elizabeth Doherty	
Claire McGraw	
Stewart MacKenzie	
Maisie O'Brien	Appointed Sept 21
Stephanie Harverson	Appointed Sept 21
Tope Falade	Appointed Sept 21
Adele Fraser	Resigned Sept 21
Thomas Mellor	Appointed Sept 21; Resigned Dec 21
Helen MacNab	Resigned May 22

**EXECUTIVE OFFICERS**

Pamela Milne	CEO (Appointed Sept 21)
Jill Cronin	Interim CEO (Resigned Sept 21)
John McShane	Customer Services Manager (Redundancy April 21)
Gerry Casey	Finance & Corporate Services Manager (Redundancy April 21)
Lesley Carnegie	Business Improvement Manager (Appointed Aug 21)
David Edgar	Housing Manager (Appointed Aug 21)
Charlie Wood	Asset Manager (Appointed Aug 21)
Maureen Knight	Interim Housing Manager (Resigned Aug 21)
Malcolm Finnie	Interim Asset Manager (Resigned Aug 21)

<b>External Auditors:</b>	Wylie & Bisset (Audit) Limited Chartered Accountants 168 Bath Street Glasgow G2 4TP	<b>Internal Auditors:</b>	TIAA Ltd 53-55 Gosport Business Centre Aerodrome Road Gosport
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<b>Bankers:</b>	Royal Bank of Scotland 129 Kirkintilloch Road Bishopbriggs G64 2LR
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<b>Solicitors:</b>	T C Young 7 West George Street Glasgow G20 0EQ	<b>Solicitors:</b>	Harper Macleod 45 Gordon Street Glasgow G1 3PE
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<b>Registered Office:</b>	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 2022**

The Board presents their report and audited financial statements for the year ended 31 March 2022.

#### **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**

##### **Business Plan**

During the year, the Association reviewed its new Business Plan for 2022-25. Our Business Plan takes account of the significant changes in our operating environment including rising prices and inflation, cost of living increases, our recent levels of performance and customer satisfaction and plans to re-open the Community Centre.

We have set new statements of strategic intent in the form of our Vision, Values, Mission Statement and Strategic Objectives. We have established detailed Delivery Plans which confirm the key tasks to deliver our strategic objectives, along with the outputs, risks, resources and timescales to achieve these. This Business Plan has been developed by engaging with Board and staff and taking into consideration service user feedback.

Cadder Housing Association's Vision for the period 2022 to 2025 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 Objectives**

We have established four Strategic Objectives that reflect our Vision, Values and Mission and overarching aims:

- Strategic Objective 1: Improving our Customer Service and Satisfaction
- Strategic Objective 2: Improving our Housing Quality and Health & Safety
- Strategic Objective 3: Improving our Business Performance
- Strategic Objective 4: Ensuring Governance Compliance and Financial Sustainability

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 2022**

(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 Board, 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 Board 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 third Assurance statement in October 2021 in compliance with the Scottish Housing Regulator's 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 Association concluded a staffing restructure towards the end of 2021, involving the recruitment of a new Senior Management Team and a number of new staff. The period of transition and disruption to services caused by Covid 19 have resulted in slippage in the Association's performance and customer satisfaction. We have set out detailed plans and targets to significantly improve both.

During the year our repairs and maintenance service was outsourced to P & D (Scotland) Ltd part of the Bell Group. We also have a backup contractor in place who deal with voids and ad hoc repairs as required.

In response to tenant feedback, we have employed ICE Ltd to do close cleaning and open space maintenance. Our inhouse Estates team are responsible for other estate maintenance work such as bulk uplifts and back court maintenance.

The Association continues to invest in its housing stock and provide a programme of improvements to our tenants' homes. In the year 2021/22 planned improvements and cyclical works included:

- Kitchen Installation programme
- Installation of Veranda screens
- Installation of heating/boilers
- 5-year electrical checks programme

The Housing (Scotland) Act 1987 was amended to reflect the new requirements around smoke detectors and heat detectors (FCMD). In recognition of the impact of the pandemic the Scottish Government extended the deadline until 1 February 2022. The Association completed the FCMD installation programme for its housing stock in January 2022.

A stock condition survey was commissioned in 2021/22. This was completed in April 2022 and the Investment Strategy has been updated for 2022-26.

**CADDER HOUSING ASSOCIATION LIMITED****REPORT OF THE BOARD AND STRATEGIC REPORT FOR THE YEAR ENDED 31ST MARCH 2022**

(continued)

The main programme of cyclical and major repair works scheduled for 2022-26 is set out below:

<i>Property Element</i>	<i>Type*</i>	<i>Target</i>	<i>Target</i>	<i>Target</i>
		<b>2022-23</b>	<b>2023-24</b>	<b>2025-26</b>
Kitchen Replacement	PM	93		
Gas Boiler renewals	PM	15	15	15
Bathrooms	PM	10	10	10
Veranda doors	PM	36		
Periodical Electrical Inspections	CM	140	140	135
Gas Servicing	CM	694	694	694
Close painting (internal)	CM	22	22	22
Electrical rewires	PM	7	4	6
Heating system renewals	PM	6	12	12
Common close entrance doors	PM	26	26	26

**SHQS and EESH**

SHQS compliance was initially achieved in March 2020, however the Stock Condition Survey completed in April 2022 identified areas where some elements (common area entrance doors, for example) had deteriorated since 2020. Localised repairs are needed to ensure our properties comply with SHQS. We have identified that around £56k is required to bring our homes back up to SHQS levels and this is included in year 1 of our new business plan.

EESH compliance was achieved in March 2018 against a target date of March 2020. The new Stock Condition survey included a 70% sample of EPCs (almost 500 units) compared to the previous sample of around 30%. This more robust analysis demonstrates the need for further investment, mainly for insulation to restore compliance with EESH. We have identified that around £207k is required to bring our homes back up to EESH Levels and this has been included in year 1 of our new business plan.

**Buy Back on the Open Market**

During the year, Cadder acquired a property through Buy Back on the Open Market and received 50% of the funding for the purchase of this property from the Scottish Government. We have now developed a Buyback on the Open Market Policy to acquire properties which achieve specific strategic aims such as meeting the Scottish Housing Quality Standard in multi tenure blocks or meeting particular housing demand. Initially the Association has budgeted for a maximum of two open market purchases in the financial year 2022/23. Buy Back on the Open Market represents an affordable and sustainable way for the Association to increase the number of affordable homes in the Cadder area.

**Welfare Reform**

We seek to mitigate the impact of Welfare reform on both the Association and its tenants through our Money Advice Officer. Our officer assists customers in managing their benefit claims and any other financial issues that they may have.

## **CADDER HOUSING ASSOCIATION LIMITED**

### **REPORT OF THE BOARD AND STRATEGIC REPORT FOR THE YEAR ENDED 31ST MARCH 2022**

(continued)

#### **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. The Community Centre Business Plan was reviewed during 2021/22 and plans to re-open the centre are included in the Association's Business Plan delivery plans for 2022/23.

#### **Financial Review**

The Association generated a surplus of £808,288 in the 2021/22 financial year (2020/21-£531,169). The increase in annual surplus mainly reflects the reduction in management and maintenance administration costs as a result of the staff restructure and lower net interest costs. These savings were offset to an extent in the increase in service costs, planned and cyclical maintenance costs and reactive maintenance costs.

#### **Treasury Management**

The Association adopts a policy of investing in cash-based investment only with a cash balance of £3.30m at the year-end (2020/21-£2.99m).

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 21/22 annual update resulted in a gain of £282k. In the previous year a loss of £406k 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.

#### **Principal Risks and Uncertainties**

The Association has a Risk Management Policy and Corporate Risk Register in place.

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.

**CADDER HOUSING ASSOCIATION LIMITED**

**REPORT OF THE Board of Directors AND STRATEGIC REPORT FOR THE YEAR ENDED 31ST MARCH 2022**

(continued)

There are 14 risks in our Corporate Risk Register 2022-23 and these are summarised below.

<b>Number</b>	<b>Description of Risk</b>
1	Increased Costs (including material costs, contractor costs, increase in inflation and interest rates, staff costs, insurance, compliance costs and impact of Brexit) reduces our ability to meet our commitments including services to our customers, investment in our stock and estates, compliance with loan covenants.
2	ICT failures resulting in interruption of service delivery and potential cyber security breach resulting in potential data losses/breaches.
3	Failure to deliver an effective Reactive and Void Repairs Service.
4	Increased poverty due to cost of living rises negatively impacts on household incomes, resulting in increased hardship and strain on the Association's resources and finances
5	Community Centre is financially unviable, impacting on the viability and sustainability of the Association.
6	Loss of Income (Rental Income/Void Loss/Factoring Income) reduces our ability to meet our commitments including services to our customers, investment in our stock and estates, compliance with loan covenants.
7	Failure to comply with statutory compliance with OSCR / FCA / SHR / GDPR / FOI.
8	Non-compliance with H&S legislation or risk assessments results in serious injury or incident.
9	Non-compliance in key areas of tenant safety e.g., gas safety, legionella, fire safety, electrical safety, asbestos affects the health and wellbeing of our tenants, factored homeowners and other residents.
10	Failure to comply with SHQS, EESSH 1, and EESSH2 as well as any emerging standards relating to climate change, decarbonisation and net zero.
11	Low demand for properties results in loss of rental income and increased void expenditure.
12	Failure to set clear strategic objectives and deliver strategic outcomes.
13	Failure to comply with Regulatory Standards leading to intervention from the Scottish Housing Regulator.
14	Non-Compliance with loan covenants resulting in lenders recalling loans or reviewing terms as well as regulatory intervention.

**Internal Audit**

Internal Audit services were provided by TIAA during the year.

The internal audits for 2021-22 were:

- Governance – Regulatory Standards
- Absence Management
- Gas Safety
- Follow-up

There were no urgent recommendations made as part of any of the audits.

**Policy Schedule**

The Association has a suite of policies to support the delivery of the services 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 2022**

(continued)

#### **BOARD OF DIRECTORS AND EXECUTIVE TEAM**

##### **Members of the Board of Directors**

The Members of the Board of Directors of the Association during the year to 31 March 2022 were as follows:

Linda Brown	Stewart MacKenzie	
Gerald O'Donnell	Maisie O'Brien	Appointed Sept 21
Jamila Flynn	Stephanie Harverson	
Kristina Bowie	Tope Falade	
Elizabeth Doherty	Adele Fraser	Resigned Sept 21
Claire McGraw	Thomas Mellor	Appointed Sept 21; Resigned Dec 21
Helen MacNab	Resigned May 22	

Each member of the Board of Directors 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 Board.

##### **Executive Team - key management personnel**

Pamela Milne	CEO (Appointed Sept 21)
Jill Cronin	Interim CEO (Resigned Sept 21)
John McShane	Customer Services Manager (Redundancy April 21)
Gerry Casey	Finance & Corporate Services Manager (Redundancy April 21)
Lesley Carnegie	Business Improvement Manager (Appointed Aug 21)
David Edgar	Housing Manager (Appointed Aug 21)
Charlie Wood	Asset Manager (Appointed Aug 21)
Maureen Knight	Interim Housing Manager (Resigned Aug 21)
Malcolm Finnie	Interim Asset Manager (Resigned Aug 21)

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 Board of Directors members**

The Association actively seeks to recruit Board 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 Board Members, delivered through a mix of external trainers and internal staff. The training includes an annual mini-conference over a weekend for the Board Members to attend to the Board's training and improve relations and team building.

##### **Related Parties**

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

In addition to the financial transactions disclosed the Association works with Cadderhills Café a local voluntary organisation where members of the Associations Board 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 2022**

(continued)

**Future Developments**

The Association reviewed the potential for future developments as part of the review of the Business Plan 2022-25. 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. Future Development opportunities is included in the Business Plan delivery plans for year 2023/24.

**Post balance sheet events**

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

**Going concern**

The Association has a strong cash position and continues to hold 34% of its stock as unencumbered assets.

The Association remains financially viable. This view is supported by the most recent review of the 30-year cashflow going forward which shows we can meet all our financial commitments and comply with our loan covenants. These and other financial projections are regularly reviewed as part of the Business Planning cycle. We stress tested the 30-year financial plan when we reviewed our new business plan for 2022-25. The Association has £3.30m cash at bank at 31 March 2022. The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Disclosure of Information to the Auditor**

As far as the Board are aware there is no relevant audit information of which the auditors are unaware. The Board 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:

30 August 2022

**CADDER HOUSING ASSOCIATION LIMITED**

**STATEMENT OF BOARD OF DIRECTORS RESPONSIBILITIES FOR THE YEAR ENDED 31ST MARCH 2022**

The Board of Directors 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 Board of Directors 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 Board of Directors 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 Board of Directors 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**  
**BOARD OF DIRECTOR'S STATEMENT ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31ST**  
**MARCH 2022**

The Board of Directors 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 Board of Directors'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 Board of Directors 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 Board of Directors members and others.
- the Board of Directors reviews reports from management, from the CEO, 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 Board of Directors have reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2022 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 Board of Directors



Jamila Flynn  
Secretary

Date:

30 August 2022

**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 2022**

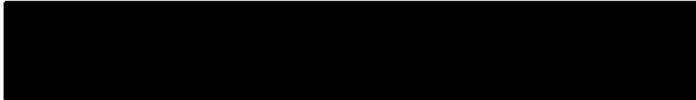
In addition to our audit of the Financial Statements, we have reviewed your statement on page 9 concerning the Association's compliance with the information required by the Regulatory Standards for systemically important RSLs in respect of internal financial controls contained within the publication "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 Board of Directors 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:

30 August 2022

## **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 2022 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 2022 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 Directors**

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:

30 August 2022

**CADDER HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2022**

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Revenue</b>	<b>2</b>	3,733,856	3,753,284
<b>Operating costs</b>	<b>2</b>	(2,792,173)	(3,084,523)
<b>Operating surplus</b>		<u>941,683</u>	<u>668,761</u>
Interest receivable and other income		305	1,538
Interest payable and other charges	<b>4</b>	(126,700)	(138,130)
Other finance charges		(7,000)	(1,000)
<b>Surplus for the year</b>		<u>808,288</u>	<u>531,169</u>
Actuarial gain/(loss) in respect of pension schemes		282,127	(406,000)
<b>Total Comprehensive Income</b>		<u><u>1,090,415</u></u>	<u><u>125,169</u></u>

All amounts relate to continuing operations. The notes on pages 19 - 36 form part of these financial statements.

CADDER HOUSING ASSOCIATION LIMITED  
STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2022

	Notes	£	2022 £	£	2020 £
<b>Tangible Fixed Assets</b>					
Housing Properties - Depreciated Cost	7		15,311,535		15,806,528
Other Non Current Assets	8		<u>3,349,504</u>		<u>3,441,881</u>
			18,661,039		19,248,409
<b>Current Assets</b>					
Debtors	9	165,397		178,224	
Stock of maintenance materials		53,672		108,225	
Cash at bank and in hand		<u>3,303,735</u>		<u>2,990,660</u>	
		3,522,804		3,277,109	
<b>Current Liabilities</b>					
Creditors falling due within one year	10	<u>(1,335,972)</u>		<u>(1,557,142)</u>	
<b>Net Current Assets</b>			<u>2,186,832</u>		<u>1,719,967</u>
<b>Total Assets Less Current Liabilities</b>			20,847,871		20,968,376
Creditors due after one year	11		(4,365,022)		(4,993,630)
Deferred Income	13		(7,464,804)		(7,674,099)
Provision for pension liability	19		-		(373,000)
			<u>9,018,045</u>		<u>7,927,648</u>
<b>Capital and Reserves</b>					
Share Capital	14		69		88
Revenue Reserves			9,017,976		8,300,560
Pension Reserve			-		(373,000)
			<u>9,018,045</u>		<u>7,927,648</u>

These financial statements were approved and authorised for issue by the Board on <sup>30 August 2022</sup> and signed on their behalf by:

Board Member:

KRISTINA BOWIG

Board Member:

Secretary:

JAMILA FLYNN

The notes on pages 19 - 36 form part of these financial statements.

**CADDER HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022**

	Notes	£	2022 £	2021 £
<b>Net cash inflow from operating activities</b>	15		1,179,603	1,315,163
<b>Investing activities</b>				
Cash paid for construction and purchases		(122,318)		(170,752)
Purchase of other fixed assets		<u>(20,574)</u>		<u>(152,475)</u>
<b>Net cash inflow/(outflow) from investing activities</b>			(142,892)	(323,227)
<b>Financing</b>				
Interest received on cash and cash equivalents		305		1,538
Interest paid		(126,700)		(138,130)
Loan principal repayments		(608,202)		(654,414)
Share capital issued		<u>6</u>		<u>1</u>
<b>Net cash outflow from financing</b>			(734,591)	(791,005)
Increase in cash			<u>302,120</u>	<u>200,931</u>
Opening cash and cash equivalents			<u>2,990,660</u>	<u>2,789,729</u>
Closing cash and cash equivalents			<u><u>3,303,735</u></u>	<u><u>2,990,660</u></u>

The notes on pages 19 - 36 form part of these financial statements.

**CADDER HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022**

	<b>Share Capital</b>	<b>Pension Reserve</b>	<b>Revenue Reserve</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
Initial recognition of multi employer pension schemes.	-	-	-	-
Actuarial (loss) in respect of pension schemes	-	(406,000)	-	(406,000)
Transfer between reserves	-	86,296	(86,296)	-
<b>Balance as at 31st March 2021</b>	<b>88</b>	<b>(373,000)</b>	<b>8,300,560</b>	<b>7,927,648</b>
Balance as at 1st April 2021	88	(373,000)	8,300,560	7,927,648
Issue of shares	6	-	-	6
Cancellation of shares	(25)	-	-	(25)
Surplus for the year	-	-	808,288	808,288
Actuarial gain in respect of pension schemes	-	282,127	-	282,127
Transfer between reserves	-	90,873	(90,873)	-
<b>Balance as at 31st March 2022</b>	<b>69</b>	<b>-</b>	<b>9,017,976</b>	<b>9,018,045</b>

The notes on pages 19 - 36 form part of these financial statements.

## **CADDER HOUSING ASSOCIATION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

#### **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.

<b>Component</b>	<b>Useful Life</b>
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 2022**

**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:

<b>Asset Category</b>	<b>Depreciation Rate</b>
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.

**CADDER HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

**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 Board of Directors 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 2022**

2	Particulars of revenue, operating costs, operating surplus or deficit	2022			2021			
		Note	Turnover £	Operating costs £	Operating Surplus/ (deficit) £	Turnover £	Operating costs £	Operating Surplus/ (deficit) £
	Social lettings	3a	3,571,130	(2,492,731)	1,078,399	3,522,820	(2,697,804)	825,016
	Other activities	3b	162,726	(299,442)	(136,716)	230,464	(386,719)	(156,255)
	<b>Total</b>		<u>3,733,856</u>	<u>(2,792,173)</u>	<u>941,683</u>	<u>3,753,284</u>	<u>(3,084,523)</u>	<u>668,761</u>

**CADDER HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

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

	General Needs Housing	2022	2021
<b>Income from lettings</b>			
Rent receivable net of service charge	3,344,087	3,344,087	3,304,306
Service charges	-	-	-
Gross income from rents and service charges	3,344,087	3,344,087	3,304,306
Less: Voids	45,848	45,848	24,441
<b>Net income from rents and service charges</b>	<b>3,298,239</b>	<b>3,298,239</b>	<b>3,279,865</b>
Amortisation of Social Housing and other grants	158,558	158,558	158,564
Grants from the Scottish Ministers	-	-	-
Grants from local authorities and other agencies	114,333	114,333	84,391
Other income	-	-	-
<b>Total turnover from social letting activities</b>	<b>3,571,130</b>	<b>3,571,130</b>	<b>3,522,820</b>
<b>Management and maintenance administration costs</b>			
Service costs	1,279,177	1,279,177	1,618,499
Planned and cyclical maintenance	88,621	88,621	25,002
Reactive maintenance costs	185,278	185,278	128,713
Bad debts - rents and service charges	299,134	299,134	260,079
Depreciation of social housing	23,210	23,210	55,859
<b>Operating costs for social housing activities</b>	<b>617,311</b>	<b>617,311</b>	<b>609,652</b>
	2,492,731	2,492,731	2,697,804
<b>Operating surplus for social lettings</b>	<b>1,078,399</b>	<b>1,078,399</b>	<b>825,016</b>
<b>2021</b>	<b>722,750</b>	<b>825,016</b>	

**CADDER HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

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	-	-	-	-	-	-	(558)	(558)	(80,427)	
Factoring	-	-	-	111,941	111,941	(230)	(111,711)	0	(167)	
Community Centre	-	-	-	48	48	-	(121,030)	(120,982)	(62,288)	
Other Income	-	-	-	-	-	-	-	-	1,803	
Community Centre Depreciation	-	50,737	-	-	50,737	-	(65,913)	(15,176)	(15,176)	
Rechargeable repairs	-	-	-	-	-	-	-	-	-	
<b>Total from other activities</b>	-	50,737	-	111,989	162,726	(230)	(299,212)	(136,716)	(156,255)	
<b>2021</b>	19,969	50,737	-	159,758	230,464	(7,126)	(379,593)	(156,255)		

**CADDER HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

**4 Interest payable and Other Charges**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Loan interest on housing properties	126,700	138,130
Other interest	<u>-</u>	<u>-</u>
	126,700	138,130
Less: loan interest capitalised	<u>-</u>	<u>-</u>
	<u>126,700</u>	<u>138,130</u>

**5 Taxation**

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

**6 Surplus for the year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Surplus for the year is stated after charging/(crediting):-		
Depreciation - Housing Properties	616,592	609,652
Depreciation - Other Tangible Assets	<u>112,951</u>	<u>130,295</u>
	729,543	739,947
External Auditors Remuneration - Audit services	7,320	6,600
External Auditors Remuneration - Other services	-	-
Operating lease rentals - other	843	9,936
Operating lease rentals - land & buildings	<u>5,560</u>	<u>4,560</u>

**CADDER HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022**

**7 Non-Current Assets - Housing Properties**

	Housing Properties Held for Letting £	Housing Properties in Course of Construction £	Completed Shared Ownership Properties £	Total £
<b>Cost</b>				
At 1 April 2021	22,414,858	-	-	22,414,858
Additions	122,318	-	-	122,318
Disposals	(28,579)	-	-	(28,579)
Transfers	-	-	-	-
At 31 March 2022	<u>22,508,597</u>	<u>-</u>	<u>-</u>	<u>22,508,597</u>
<b>Depreciation</b>				
At 1 April 2021	6,608,330	-	-	6,608,330
Charge in year	616,592	-	-	616,592
Disposals	(27,860)	-	-	(27,860)
Transfers	-	-	-	-
At 31 March 2022	<u>7,197,062</u>	<u>-</u>	<u>-</u>	<u>7,197,062</u>
<b>Net Book Value</b>				
As at 31 March 2022	<u>15,311,535</u>	<u>-</u>	<u>-</u>	<u>15,311,535</u>
As at 31 March 2021	<u>15,806,528</u>	<u>-</u>	<u>-</u>	<u>15,806,528</u>

All land and housing properties are heritable.

Total expenditure on existing properties in the year amounted £606,730 (2021-£559,544). The amount capitalised is £122,138 (2021-£170,752) with the balance charged to the statement of comprehensive income. The amount capitalised includes component replacements of £57,178 (2021-£157,200).

The Association's Lenders have standard securities over Housing Properties with a carrying value of £10,148,856 (2021-£10,476,950).

**CADDER HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022**

**8 Non Current Assets - Other Tangible Assets**

	Office Premises £	Furniture & Equipment £	Computer Equipment £	Other £	Total £
<b>Cost</b>					
At 1 April 2021	474,748	378,448	86,699	3,295,663	4,235,558
Additions	-	10,548	10,026	-	20,574
Disposals	-	-	-	-	-
At 31 March 2022	<u>474,748</u>	<u>388,996</u>	<u>96,725</u>	<u>3,295,663</u>	<u>4,256,132</u>
<b>Depreciation</b>					
At 1 April 2021	52,469	358,153	64,582	318,473	793,677
Charge for year	9,081	16,275	21,682	65,913	112,951
Disposals	-	-	-	-	-
At 31 March 2022	<u>61,550</u>	<u>374,428</u>	<u>86,265</u>	<u>384,386</u>	<u>906,628</u>
<b>Net Book Value</b>					
As at 31 March 2022	<u>413,198</u>	<u>14,568</u>	<u>10,460</u>	<u>2,911,277</u>	<u>3,349,504</u>
As at 31 March 2021	<u>422,279</u>	<u>20,295</u>	<u>22,117</u>	<u>2,977,190</u>	<u>3,441,881</u>

Allocation of opening cost and depreciation has been re-stated in line with The Association's asset register. There is no movement in the overall gross cost or depreciation.

**9 Debtors: Amounts falling due within one year**

	2022 £	2021 £
Arrears of Rent & Service Charges	197,076	219,670
Less: Bad Debt Provision	<u>(132,833)</u>	<u>(132,833)</u>
	64,243	86,837
Trade Debtors	15,480	21,806
Prepayments and Accrued Income	36,343	18,578
Other Debtors	<u>49,331</u>	<u>51,003</u>
	<u>165,397</u>	<u>178,224</u>

**10 Creditors: Amount due within one year**

	2022 £	2020 £
Housing Loans (Note 12)	630,000	609,594
Trade Creditors	59,575	81,072
Other Taxation and Social Security	19,834	21,395
Other Creditors	21,738	24,971
Deferred Income	209,301	209,301
Accruals	298,270	520,237
Rent Received in Advance	<u>97,254</u>	<u>80,572</u>
	<u>1,335,972</u>	<u>1,547,142</u>

At the Balance Sheet date there were pension contributions outstanding of £Nil (2021 - £7,021)

**CADDER HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022**

**11 Creditors: Amounts due after more than one year**

		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
Housing Loans	(Note 12)	4,365,022	4,993,630
Other		-	-
		<u>4,365,022</u>	<u>4,993,630</u>

**12 Housing Loans**

Amounts due within one year	(Note 10)	630,000	609,594
Amounts due between one and two years		652,000	603,332
Amounts due between two and five years		1,476,000	1,434,996
Amounts due greater than five years		2,237,022	2,955,302
<b>Total Housing Loans</b>		<u>4,995,022</u>	<u>5,603,224</u>
Less: Amounts shown in Current Liabilities		<u>(630,000)</u>	<u>(609,594)</u>
		<u><u>4,365,022</u></u>	<u><u>4,993,630</u></u>

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

<b>Lender</b>	<b>Security</b>	<b>Effective Interest Rate</b>	<b>Maturity</b>	<b>Variable/Fixed</b>
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**

	<b>Housing Properties Held for Letting</b>	<b>Housing Properties In course of Construction</b>	<b>Completed Shared Ownership Properties</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Social Housing Grant</b>				
Balance as at 1 April 2021	7,927,932	-	-	7,927,932
Additions in the year	-	-	-	-
Transfers	-	-	-	-
Balance as at 31 March 2022	<u>7,927,932</u>	<u>-</u>	<u>-</u>	<u>7,927,932</u>
<b>Amortisation</b>				
Balance as at 1 April 2021	2,327,719	-	-	2,327,719
Amortisation in the year	158,558	-	-	158,558
Transfers	-	-	-	-
Balance as at 31 March 2022	<u>2,486,277</u>	<u>-</u>	<u>-</u>	<u>2,486,277</u>
<b>Net Book Value</b>				
As at 31 March 2022	<u>5,441,655</u>	<u>-</u>	<u>-</u>	<u>5,441,655</u>
As at 31 March 2021	<u>5,600,213</u>	<u>-</u>	<u>-</u>	<u>5,600,213</u>

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**13 Deferred income (continued)**

	<b>Other Fixed Assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Other Grant</b>		
Balance as at 1 April 2021	2,536,438	2,536,438
Additions in the year	-	-
Transfers	-	-
Balance as at 31 March 2022	<u>2,536,438</u>	<u>2,536,438</u>
<b>Amortisation</b>		
Balance as at 1 April 2020	253,251	253,251
Transfers	-	-
Amortisation in the year	<u>50,737</u>	<u>50,737</u>
Balance as at 31 March 2022	<u>303,988</u>	<u>303,988</u>
<b>Net Book Value</b>		
As at 31 March 2022	<u>2,232,450</u>	<u>2,232,450</u>
As at 31 March 2021	<u>2,283,187</u>	<u>2,283,187</u>

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

	<b>2022</b>
	<b>£</b>
Due within one year	209,301
Due in one year or more	<u>7,464,804</u>
	<u>7,674,105</u>

**14 Share Capital**

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Shares of £1 fully paid and issued at 1 April	88	93
Shares issued during the year	6	1
Shares cancelled in the year	<u>(25)</u>	<u>(6)</u>
Shares issued at 31 March	<u>69</u>	<u>88</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 2022**

**15 Statement of Cashflow**

	<b>2022</b>	<b>2021</b>
	£	£
Reconciliation of operating surplus to balance as at 31st March 2022		
Surplus for the year	808,288	531,169
Depreciation - housing properties	617,311	609,652
Depreciation - other assets	112,951	130,295
Amortisation of capital grants	(209,295)	(209,301)
Change in stock	43,600	17,805
Change in debtors	12,827	25,482
Change in creditors	(241,577)	159,771
Unwinding of Discount on pension liability	(90,872)	(86,296)
Transfer of Interest to financial activities	126,395	136,592
Share capital cancelled	(25)	(6)
	<u>1,179,603</u>	<u>1,315,163</u>

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

	<b>2022</b>		<b>2021</b>	
	£	£	£	£
Increase in cash	302,120		200,931	
Cashflow from change in net debt	<u>608,202</u>		<u>654,413</u>	
Movement in net debt during the year		910,322		855,344
Net debt as at 1st April 2021		<u>(2,612,564)</u>		<u>(3,467,908)</u>
Net debt as at 31st March 2022		<u>(1,702,242)</u>		<u>(2,612,564)</u>

<b>Analysis of changes in net debt</b>	<b>As at 1st</b>		<b>As at 31st</b>
	<b>April 2021</b>	<b>Cashflows</b>	<b>March 2022</b>
Cash at bank and in hand	2,990,660	302,120	3,292,780
Bank overdrafts	-	-	-
	<u>2,990,660</u>	<u>302,120</u>	<u>3,292,780</u>
Debt: Due within one year	(609,594)	(20,406)	(630,000)
Debt: Due after more than one year	(4,993,630)	628,608	(4,365,022)
Net Debt	<u>(2,612,564)</u>	<u>910,322</u>	<u>(1,702,242)</u>

**16 Housing Stock**

	<b>2022</b>	<b>2021</b>
	No.	No.
The number of units in management at 31 March was as follows:		
General Needs	<u>695</u>	<u>694</u>

**CADDER HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022**

**17 Employees**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	657,949	1,204,824
Social security costs	56,225	77,247
Other pension costs	48,877	68,571
Temporary, Agency and Seconded staff	171,291	79,052
	<u>934,342</u>	<u>1,429,694</u>

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

	<b>No.</b>	<b>No.</b>
Full time equivalent	<u>24</u>	<u>37</u>
Average total number	<u>24</u>	<u>39</u>
	<b>£</b>	<b>£</b>
Emoluments payable to key management personnel earning over £60k (excluding pension contributions)	<u>Nil</u>	<u>266,764</u>
Emoluments payable to all key management personnel (without pension contributions)	<u>258,071</u>	<u>347,328</u>
Emoluments payable to the CEO (excluding pension contributions)	76,733	141,327
Pension contributions for the CEO	<u>3,908</u>	<u>5,536</u>
	<u>80,641</u>	<u>146,863</u>
Total emoluments paid to the key management personnel	<u>271,806</u>	<u>364,706</u>

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

	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	-	-
£70,001 - £80,000	-	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	-	2
	<b>No.</b>	<b>No.</b>
Compensation for loss of office for key management personnel	<u>-</u>	<u>3</u>
	<b>£</b>	<b>£</b>
Compensation for loss of office for key management personnel	<u>-</u>	<u>83,486</u>
	<b>£</b>	<b>£</b>
Expenses paid to the Board	<u>806</u>	<u>1,851</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 2022**

**18 Related parties**

Members of the Board of Directors are related parties of the Association as defined by Financial Reporting Standard 102.

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

Transactions with Board of Directors members (and their close family) were as follows;

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Rent received from tenants on the Board of Directors and their close family members	<u>27,883</u>	<u>9,140</u>
Factoring charges received from factored owners on the Board of Directors and their close family members.	<u>2,300</u>	<u>2,427</u>
Rental (Prepaid) / Arrears at the year end	<u>(939)</u>	<u>21</u>
Factoring (Prepaid) / Arrears at the year end	<u>(173)</u>	<u>49</u>
Members of the Board of Directors who are tenants	<u>1</u>	<u>-</u>
Members of the Board of Directors who are owner occupiers	<u>5</u>	<u>5</u>

**CADDER HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022**

**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 2022**

**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:

	<b>2022</b>	<b>2021</b>
Discount rate	2.79%	2.17%
Pension increases	3.57%	3.30%
Future salary increases	4.19%	3.86%
Allowance for commutation of pension for cash at retirement	75.0%	75.0%

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies for a 65-year old to live for a number of years as follows:

	<b>Male (Years)</b>	<b>Female (Years)</b>
Current pensioners	21.6	23.9
Future pensioners	22.9	25.4

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.

<b>Fair value of scheme assets by category</b>	<b>2022 £000</b>	<b>2021 £000</b>
Equities	2,947	1,501
Bonds	206	1,311
Property	94	304
Cash	9	24
	<u>3,256</u>	<u>3,140</u>

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

	<b>£000</b>
Opening defined benefit obligation	3,513
Current service cost	-
Expenses	3
Interest expense	75
Contributions by plan participants	-
Actuarial losses/(gains) due to scheme experience	37
Actuarial losses/(gains) due to changes in demographic assumptions	10.00
Actuarial losses/(gains) due to changes in financial assumptions	(264)
Liabilities extinguished on settlements	(128)
Liabilities assumed in a business combination	-
Benefits paid and expenses	-
Closing defined benefit obligation	<u>3,246</u>
<b>Movements in fair value of plan assets</b>	
Opening fair value of plan assets	3,140
Interest income	68
Experience on plan assets	83
Contributions by the employer	93
Contributions by plan participants	-
Expected return on assets	-
Benefits paid and expenses	(128)
Closing fair value of plan assets	<u>3,256</u>

**CADDER HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022**

**19 Pension Fund - Scottish Housing Association Pension Scheme (continued)**  
**2022**  
**£000**

<b>Defined benefit costs recognised in statement of comprehensive income</b>	
Current service cost	-
Expenses	3
Net interest expense	7
Defined benefit costs recognised in SOCI	<u>10</u>
<b>Defined benefit costs recognised in other comprehensive income</b>	
Experience on plan assets (excluding amount in interest)	83
Experience gains and losses arising on the plan liabilities	(37)
Effect of changes in the demographic assumption underlying the present value of the defined benefit obligation	(10)
Effect of changes in the financial assumptions underlying the present value of the defined benefit obligation	-
	264
	-
Defined benefit costs recognised in OCI	<u>300</u>
<b>Movement in deficit during the year</b>	
(Deficit) at the beginning of the year	(373)
Current service cost	0
Losses on settlements or curtailments	-
Employer contributions	90
Past service cost	-
Net interest expense	(7)
Actuarial gain/(losses)	300
(Deficit) at the end of the year	<u>10</u>

**The amounts recognised in the balance sheet are as follows:**

	<b>2022</b>
	<b>£000</b>
Present value of scheme liabilities	(3,246)
Fair value of scheme assets	<u>3,256</u>
Surplus	<u>10</u>

The Association expects to contribute £46,632 to the Scottish Housing Associations Pension Scheme in the coming year.

**CADDER HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022**

**20 Capital Commitments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
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 2022 the Association had commitments under non-cancellable operating leases as set out below:

	<b>2022</b>		<b>2021</b>	
	Land & buildings	Other items	Land & buildings	Other items
Within 1 year	5,560	843	4,560	1,380
Within 2 - 5 years	-	-	-	843
Over 5 years	-	-	-	-
	<u>5,560</u>	<u>843</u>	<u>4,560</u>	<u>2,223</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.

