



CALVAY HOUSING ASSOCIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

REGISTERED HOUSING ASSOCIATION NUMBER: HAC80

CHARITY REGISTRATION NUMBER: 2194R(S)

FCA REFERENCE NUMBER: SC039234

CALVAY HOUSING ASSOCIATION LIMITED

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CALVAY HOUSING ASSOCIATION LIMITED
THE MANAGEMENT COMMITTEE, THE EXECUTIVE OFFICER, AND ADVISORS
FOR THE YEAR ENDED 31 MARCH 2024

Management Committee

James Gourlay	(Chairperson) appointed Chair 14/09/23)
Steve Blomer	(Committee member) (Vice Chair 18/01/24)
Geri Mogan	(Co-opted Member) (Elected Member 14/09/23)
Jim Munro	(Co-opted Member) (Elected Member 14/09/23)
Gordon Laurie	(Appointed Committee Member) (Joined 21/09/23)
Peter Howden	(Committee Member) (Joined 14/09/23)
Lawrie West	(Appointed Committee Member) (Joined 21/09/23)
Emma Connelly	(Co-opted Member) (Joined 21/09/23)
Helen Forsyth	(Appointed Committee Member) (Joined 19/10/23)
Lauren Austin	(Co-opted Member) (Joined 14/12/23)
Alison A'Hara	(Vice-Chair) (Resigned 11/01/24)
Christopher Warwick	(Secretary to 13/09/23) (Treasurer 14/09/23) (Deceased 22/02/24)
Bryce Wilson	(Secretary 14/09/23)
Stacy Shaw	(Committee Member) (Resigned 21/06/23)
Julia Okun	(Committee Member) (Resigned 13/06/24)
Sandra McIlroy	(Committee Member) (Resigned 18/05/23)

Executive Officer

Nick Dangerfield

Registered numbers

Registered Housing Association Number: HAC80

Charity Registration Number: 2194R(S)

FCA Reference Number: SC039234

Registered office

16 Calvay Road

Glasgow

G33 4RQ

Independent auditor

Azets Audit Services

Chartered Accountants

Titanium 1

King's Inch Place

Renfrew

PA4 8WF

Solicitors

TC Young

7 West George Street

Glasgow

G2 1BA

Bankers

The Royal Bank of Scotland

1304 Duke Street

Glasgow

G31 5PZ

Internal Auditor

Wylie & Bissett

168 Bath Street

Glasgow

G2 4TP

**CALVAY HOUSING ASSOCIATION LIMITED
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2024**

The Management Committee presents their report and the audited Financial Statements for the year ended 31 March 2024.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.2194R(S). The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SC039234.

Principal Activities

The principal activity of the Association is the provision of social housing.

Objectives and Strategy

The Association is a Registered Social Landlord and Scottish Charity. The core objects as set out in our rules are to provide for the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through the provision, construction, improvement and management of land and accommodation and the provision of care.

Our current strategic objectives are:

- *Provide a high-quality housing service*
- *Demonstrate strong performance and compliance*
- *Be a good employer*
- *Invest in and support our community*
- *Practice robust governance*
- *Be responsible, forward-thinking and innovative*

Review of business and future developments

Current Year

This has been a year of change for Calvay's Committee; there were a number of additions to the Committee and also several resignations. The Committee would like to go on record to thank all previous Committee members who left during the year for their contributions as well as the current Committee members for their continued efforts.

Following a strategy day, a new three-year business plan was agreed setting out the way ahead for Calvay.

A focus for the Committee has been to progress towards the Scottish Housing Regulator (SHR) restoring Calvay to regulatory compliance. During the year, most of the recommendations included in a governance review have been completed, with progress being reported to the SHR.

The Tenant Participation Advisory Service (TPAS) have been working with Calvay HA and have successfully established a group to examine Calvay's performance and strengthen the customer voice.

Development Programme

During the year, our 43-unit development programme was completed. This programme means we have increased our stock size by around 5% with high-quality energy-efficient properties enabling us to offer more homes to more households. Now this development has been completed the Association has no immediate further development plans.

CALVAY HOUSING ASSOCIATION LIMITED
REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Financial Review

The Association made a surplus in the year of £431K before pension adjustments (2023: £807k). £339k was spent on new components to the Association's existing housing stock in the year with £254K spent on planned and cyclical maintenance and £526K on reactive repairs. As a social landlord we are committed to keeping our properties in good condition.

Turnover of £4.7 million relates primarily to the income from letting of properties at affordable rents. The rent increase agreed during 2023/24 (for implementation from 1 April 2024) was 5.6%. At 31 March 2024 net assets were £12.6million.

Risk and Uncertainties

During the previous year, some building defects became apparent in properties in Calvay Crescent and during the reporting year, further defects were identified in Barlanark Road. Calvay has notified all affected tenants and measures were put in place to make safe until a long term plan was agreed.

During the reporting year, an application was made to the Scottish Net Zero Heat Fund (SNZHF) to fund 50% of the cost of installing external wall insulation to the properties affected by the defects described above.

As the Scottish Government's decisions in relation to EESSH2 (energy efficiency measures) have yet to be fully concluded we are not able to determine the cost of meeting EESSH2 but the Committee are aware of this uncertainty and will seek clarity once the decision is made.

Inflation has affected Calvay HA. Our rent rise for this year (24/25) was 5.6%. Our base case relies on rent being increased by slightly above inflation each year. We also have lending on a variable rate which is tied to SONIA. As SONIA remained high, therefore so did our interest payments.

Staff

Several staff left during the year, including the Maintenance Officer and Finance Officer both of whom retired, the Finance Officer after 34 years' service. We wish them both the best in their retirement.

Governance

Calvay's Management Committee is the Association's governing body and usually meet at least ten times a year. The Committee can have a minimum of 7 and a maximum of 15 members.

In addition to the Management Committee, the Association has two Sub Committees:

- Audit and Risk Sub Committee
- Staffing Sub Committee

The Management Committee is currently engaging with the Scottish Housing Regulator on governance matters and commissioned external consultants to assist on these matters. During the year, significant progress was made implementing recommendations to ensure compliance with the SHR's Regulatory Standards.

As a matter of good governance, all Committee Members are required to sign the Association's Code of Conduct for Committee Members on an annual basis. Furthermore, Committee Members also sign a declaration of interest form and will declare any relevant interests at the start of each Committee / Sub Committee Meeting or during a meeting if a relevant interest becomes apparent in the course of a meeting.

The Committee would like to thank staff for their diligent work during the year and look forward to continuing to build on what has been achieved to date.

**CALVAY HOUSING ASSOCIATION LIMITED
REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Related Party Transactions

Several members of the Management Committee are tenants. Their tenancies are on the Association's normal tenancy terms, and they cannot use their position to their advantage.

Management Committee and Executive Officer

The members of the Management Committee and the Executive Officer are listed on page 1.

Statement of the Management Committee's responsibilities

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; 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 responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

Disclosure of information to the auditor

In so far as the members of the Management Committee are aware:

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

CALVAY HOUSING ASSOCIATION LIMITED
REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Statement on Internal Financial Control

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

- The reliability of financial information used within the Association, or for publication;
- The maintenance of proper accounting records; 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 misstatement or loss. Key elements of the Association's systems include ensuring that:

- Formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- Experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- Forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- Quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- The Management Committee receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken; and
- Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

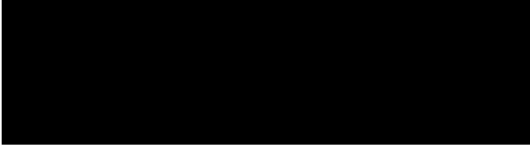
The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2024. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

**CALVAY HOUSING ASSOCIATION LIMITED
REPORT OF THE MANAGEMENT COMMITTEE (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

Auditor

A resolution to re-appoint Azets Audit Services as external auditor for the reporting year 2024 - 2025, will be proposed at the Association's Annual General Meeting in September 2024.

By order of Management Committee



James Gourlay
Chair

Date: 15 August 2024

**CALVAY HOUSING ASSOCIATION LIMITED
REPORT OF THE AUDITOR TO THE MANAGEMENT COMMITTEE OF CALVAY HOUSING ASSOCIATION
LIMITED ON INTERNAL FINANCIAL CONTROLS
FOR THE YEAR ENDED 31 MARCH 2024**

In addition to our audit of the financial statements, we have reviewed your statement on page 5 concerning the Association's compliance with the information required by the Regulatory Standards 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 on corporate governance matters within Bulletin 2009/4 issued by the Financial Reporting Council. 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 Controls on page 5 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.

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

Azets Audit Services

Azets Audit Services
Statutory Auditor
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 20 August 2024

Azets Audit Services is eligible for appointment as auditor of the Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CALVAY HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALVAY HOUSING ASSOCIATION LIMITED ON THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Opinion

We have audited the financial statements of Calvay Housing Association Limited (the 'Association') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Capital and Reserves and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2024 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 requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements issued by the Scottish Housing Regulator.

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 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 Management Committee'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 Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

**CALVAY HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALVAY HOUSING ASSOCIATION LIMITED ON
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

Matters on which we are required to report by exception

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

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Management Committee

As explained more fully in the Statement of the Management Committee's Responsibilities set out on page 4 the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee 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 Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the Association, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Association is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the Association that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Association through discussions with the Management Committee members and the senior management team, and from our knowledge and experience of the RSL sector;

**CALVAY HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALVAY HOUSING ASSOCIATION LIMITED ON
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

Auditor's responsibilities for the audit of the financial statements (continued)

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements issued by the Scottish Housing Regulator and taxation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the senior management team and the Management Committee and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the Management Committee and relevant Sub Committees;
- enquiring of the senior management team and the Management Committee as to actual and potential litigation and claims;
- reviewing legal and professional fees paid in the year for indication of any actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, the Scottish Housing Regulator, OSCR and the Association's legal advisors.

We assessed the susceptibility of the Association's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of the senior management team and the Management Committee as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**CALVAY HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALVAY HOUSING ASSOCIATION LIMITED ON
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services
Statutory Auditor
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 20 August 2024

Azets Audit Services is eligible for appointment as auditor of the Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CALVAY HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
REVENUE	2	4,711,789	4,094,290
Operating expenditure	2	(4,073,360)	(3,255,425)
OPERATING SURPLUS	7	638,429	838,865
Gain on disposal of property, plant and equipment	-	-	45,936
Increase in fair value of investment property	-	-	28,608
Interest receivable and other similar income		82,105	21,741
Interest payable and other similar charges	8	(285,319)	(128,025)
Other finance charges	9	(4,000)	(264)
		(207,214)	(32,004)
SURPLUS FOR THE YEAR BEFORE TAX		431,215	806,861
Taxation	10	-	-
SURPLUS FOR THE YEAR AFTER TAX		431,215	806,861
OTHER COMPREHENSIVE INCOME			
Actuarial (losses)/ gains in respect of the defined benefit pension scheme	17	(148,000)	(110,000)
TOTAL COMPREHENSIVE INCOME		283,215	696,861

The results for the year relate wholly to continuing activities.

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 15 August 2024 by:

James Gourlay
Chair

Bryce Wilson
Secretary

STEVEN EDWARD BLOMER
VICE CHAIR

The notes form part of these financial statements

CALVAY HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	2024 £	2023 £
NON-CURRENT ASSETS			
Housing properties – depreciated cost	11(a)	32,273,630	31,368,902
Other tangible fixed assets	11(b)	608,223	624,935
Investment property	11(c)	100,000	100,000
		<u>32,981,853</u>	<u>32,093,837</u>
CURRENT ASSETS			
Debtors	12	152,376	315,300
Cash and cash equivalents	13a	1,627,927	1,939,774
Investments	13b	1,500,000	1,000,000
		<u>3,280,303</u>	<u>3,255,074</u>
CREDITORS: amounts due within one year	14	(1,553,428)	(1,909,553)
NET CURRENT ASSETS		<u>1,726,875</u>	<u>1,345,521</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		34,708,728	33,439,358
CREDITORS:			
Amounts due after more than one year	15	(21,881,640)	(21,047,481)
PROVISIONS FOR LIABILITIES			
Pension-defined benefit liability	17	(224,000)	(72,000)
		<u>(22,105,640)</u>	<u>(21,119,481)</u>
		<u>12,603,088</u>	<u>12,319,877</u>
CAPITAL AND RESERVES			
Share capital	18	40	44
Revenue reserve		12,603,048	12,319,833
		<u>12,603,088</u>	<u>12,319,877</u>

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 15 August 2024 by:

James Gourlay
Chair

Bryce Wilson
Secretary

STEVEN EDWARD BLOMER
VICE CHAIR

The notes form part of these financial statements

CALVAY HOUSING ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	£	2024 £	£	2023 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	19		544,698		1,835,386
INVESTING ACTIVITIES					
Acquisition and construction of housing properties		(1,961,799)		(6,611,048)	
Purchase of other fixed assets		(6,268)		(28,270)	
Social Housing Grant received		-		3,860,021	
Income received on disposal of housing properties		-		69,320	
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES			<u>(1,968,067)</u>		<u>(2,709,977)</u>
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING			(1,423,369)		(874,591)
FINANCING ACTIVITIES					
Issue of shares	3			4	
Interest received		82,105		21,741	
Interest paid		(285,319)		(128,025)	
Loan principal repayments		(285,267)		(285,268)	
Loans drawn down		2,100,000		1,500,000	
SHAPS past service deficit contributions		-		(54,000)	
Transfer (to)/from investments (bank deposits)		(500,000)		1,529,249	
NET CASH INFLOW/(OUTFLOW) FROM FINANCING			<u>1,111,522</u>		<u>2,583,701</u>
(DECREASE)/INCREASE IN CASH			<u>(311,847)</u>		<u>1,709,110</u>
OPENING CASH AND CASH EQUIVALENTS			<u>1,939,774</u>		<u>230,664</u>
CLOSING CASH AND CASH EQUIVALENTS			<u>1,627,927</u>		<u>1,939,774</u>

CALVAY HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2024

	Share Capital £	Revenue Reserve £	Total £
Balance as at 1 April 2023	44	12,319,833	12,319,877
Issue of shares	3	-	3
Cancelled shares	(7)	-	(7)
Surplus for year	-	431,215	431,215
Other comprehensive income	-	(148,000)	(148,000)
Balance as at 31 March 2024	<u>40</u>	<u>12,603,048</u>	<u>12,603,088</u>

	Share Capital £	Revenue Reserve £	Total £
Balance as at 1 April 2022	53	11,622,972	11,623,025
Issue of shares	4	-	4
Cancelled shares	(13)	-	(13)
Surplus for year	-	806,861	806,861
Other comprehensive income	-	(110,000)	(110,000)
Balance as at 31 March 2023	<u>44</u>	<u>12,319,833</u>	<u>12,319,877</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS

1a. PRINCIPAL ACCOUNTING POLICIES

Legal status

The Association is incorporated under the Co-operative and Community Benefits Societies Act 2014 and is registered by the Financial Conduct Authority.

The Association is a public benefit entity in terms of its compliance with Financial Reporting Standard 102.

Basis of Accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', ("FRS102") (United Kingdom generally accepted accounting practice) and the Statement of Recommended Practice for Social Housing Providers 2018 and comply with the requirements of the Determination of Housing Requirements as issued by the Scottish Housing Regulator.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see below).

As preparation of these financial statements, in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies.

The following principal accounting policies have been applied:

Going Concern

The financial statements have been prepared on a going concern basis after consideration of the future prospects of the Association, its long term financial forecasts and the certainty of cash flow from rental of social housing stock.

Revenue

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from the Scottish Government, Glasgow City Council and other agencies. Also included is any management fees for the factoring of properties for private owners. Also included is any income from first tranche shared equity disposals.

Income from rental and service charges, factoring and commercial letting activities is recognised when the Association is entitled to it, it is probable it will be received and can be measured reliably.

Apportionment of management expenses

Direct employee, administration and operating expenditure have been apportioned to the relevant sections of the Statement of Comprehensive Income on the basis of costs of staff directly attributable to the operations dealt with in the financial statements.

Interest receivable and other income

Interest income is recognised in the Statement of Comprehensive Income on an accrual basis.

Interest payable and similar charges

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Development Interest

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

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Fixed assets - Housing properties

Housing properties are stated at cost, less accumulated depreciation. The development cost of housing properties includes: -

1. Cost of acquiring land and buildings; and
2. Development expenditure including administration costs.

These costs are either termed "qualifying costs" by The Scottish Government/Glasgow City Council for approved social housing grant or are considered for mortgage loans by the relevant lending authorities or are met out of the Association's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value are included in the financial statements for the year, provided that the dates of issue or valuation are prior to the year end.

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated.

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.

Depreciation

- (i) Housing properties

Each housing unit has been split between its major component parts. Each major component is depreciated on a straight-line basis over its expected economic useful life. The following major components and useful lives have been identified by the Group and Association:

<u>Component</u>	<u>Useful Economic Life</u>
Land	Not depreciated
Structure	50 years
Bathrooms	30 years
Windows	25 years
Kitchens	15 years
Central Heating	15 years

Shared equity properties are depreciated over 50 years.

Other fixed assets

- (ii) 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: -

Office Premises	Over 50 years
Land	Not depreciated
Fixtures & Fittings	Over 5 years
Office IT & Equipment	Over 4 years

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

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Investment Properties

Investment (commercial) properties are valued at their fair value (which is market value) with movement in value recognised in the Statement of Comprehensive Income.

Government Capital Grants

Government Capital Grant at amounts approved by The Scottish Government, is paid directly to the Association as required to meet its liabilities during the development process. This is treated as a deferred Government capital grant and is released to income over the useful life of the assets it relates to. The accrual model requires the Association to recognise income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

Government Revenue Grants

Government revenue grants are recognised using the accrual model which means the Association recognises the grant in income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

Non-Government Grants

Non-government capital and revenue grants are recognised using the performance model. If there are no performance conditions attached the grants are recognised as revenue when the grants are received or receivable.

A grant that imposes specific future performance related conditions on the recipient is recognised as revenue only when the performance related conditions are met.

A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Rental Arrears

Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in note 12.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than 90 days from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Investments

Bank deposits that have a maturity of more than 90 days are disclosed as investments.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Loans

Mortgage loans are advanced by Private Lenders under the terms of individual mortgage deeds in respect of each property or housing scheme. Security can only be provided in respect of these loans once approval by The Scottish Government has been obtained.

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Pensions

The Scottish Housing Association Defined Benefits Pension Scheme

The Association participates in The Scottish Housing Associations' Defined Benefits Pension Scheme (SHAPS) and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Associations taken as a whole. The pension scheme is accounted for as a defined benefit scheme and as such the amount charged to the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost is included within other finance costs/income. Actuarial gains and losses arising from new valuations and from updating valuations to the reporting date are recognised in Other Comprehensive Income.

Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each reporting date.

The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability.

Defined benefit schemes are funded, with the assets held separately from the Association in separate trust.

Defined contribution schemes

The Association operates a defined contribution scheme. Employer contributions are charged to the Statement of Comprehensive Income on the accrual's basis.

Financial Instruments

The Association only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like rents and other accounts receivable and payable, loans from banks and related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest rate method.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a rental arrear deferred beyond normal terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets are derecognised when contractual rights to the cash flows from the assets expire, or when the Association has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation, or expiry.

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1b. Estimation Uncertainty

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

<u>Estimate</u>	<u>Basis of estimation</u>
The valuation of investment properties	The investment properties were valued by an appropriately qualified valuer using market data at the date of valuation.
Useful lives of property, plant and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management , with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case-by-case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.
The obligations under the SHAPS pension scheme	This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.

1c. Key Judgements made in the application of Accounting Policies

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The members of the Management Committee consider the following to be critical judgements in preparing the financial statements:

- The categorisation of housing properties as property, plant, and equipment in line with the requirements of the SORP.
- The amount disclosed as "operating surplus" is repetitive of activities that would normally be regarding as "operating".

2. PARTICULARS OF REVENUE, OPERATING EXPENDITURE AND OPERATING SURPLUS

	Note	2024			2023		
		Revenue £	Operating Expenditure £	Operating surplus/ (deficit) £	Revenue £	Operating Expenditure £	Operating surplus/ (deficit) £
Social letting activities	3	4,474,841	(3,798,462)	676,379	4,015,568	(3,146,990)	868,578
Other activities	4	236,948	(274,898)	(37,950)	78,722	(108,435)	(29,713)
Total		<u>4,711,789</u>	<u>(4,073,360)</u>	<u>638,429</u>	<u>4,094,290</u>	<u>(3,255,425)</u>	<u>838,865</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTING ACTIVITIES

	General Needs Housing	Shared Ownership Housing	2024 Total	2023 Total
	£	£	£	£
Revenue from lettings				
Gross rents receivable	3,857,911	39,896	3,897,807	3,511,562
Less rent losses from voids	(16,797)	-	(16,797)	(19,859)
Net rents receivable	3,841,114	39,896	3,881,010	3,491,703
Amortisation of Social Housing & Other Grants	555,014	15,237	570,251	499,195
Revenue grants from local authorities and other agencies	23,580	-	23,580	24,670
Total income from social letting activities	<u>4,419,708</u>	<u>55,133</u>	<u>4,474,841</u>	<u>4,015,568</u>
Expenditure on social letting activities				
Management and maintenance administration costs	1,600,621	27,661	1,628,282	1,232,433
Direct Services	307,758	-	307,758	275,551
Planned and cyclical maintenance including major repairs	254,119	-	254,119	262,996
Reactive maintenance costs	526,278	-	526,278	439,175
Bad debts – rents and service charges	24,955	-	24,955	1,251
Depreciation of social housing	1,048,686	8,384	1,057,070	935,584
Total expenditure from social letting activities	<u>3,762,417</u>	<u>36,045</u>	<u>3,798,462</u>	<u>3,146,990</u>
Operating surplus on social letting activities - 2024	<u>657,291</u>	<u>19,088</u>	<u>676,379</u>	
Operating surplus on social letting activities - 2023	<u>835,539</u>	<u>33,039</u>		<u>868,578</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. PARTICULARS OF INCOME AND EXPENDITURE FROM OTHER ACTIVITIES

	£	£	Operating surplus/ (deficit) £	Operating surplus/ (deficit) £
	Other Income	Other Operating Expenditure	2024	2023
Wider Role activities	191,655	(199,439)	(7,784)	(7,937)
Development activities	-	-	-	-
Factoring activities	19,486	(19,486)	-	-
Agency income	-	-	-	-
Calvay Centre	25,807	(55,973)	(30,166)	(21,776)
Surplus/deficit from other activities - 2024	<u>236,948</u>	<u>(274,898)</u>	<u>(37,950)</u>	
Surplus/deficit from other activities - 2023	<u>78,722</u>	<u>(108,435)</u>		<u>(29,713)</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. COMMITTEE MEMBERS AND EXECUTIVE OFFICER EMOLUMENTS

The key management personnel (KMP) are determined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, manager, and employees of the Association.

No emoluments have been paid to any member of the Management Committee.

	2024	2023
	£	£
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	76,868	70,886
Emoluments payable to the director (excluding pensions contributions)	76,868	70,886
Pension contributions paid on behalf of the director	14,975	9,614
Total Emoluments paid on behalf of the director	91,843	80,500
	Number	Number
Total number of officers, including the highest paid office, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges: -		
£70,000 - £80,000	1	1

The total remuneration to key management personnel including employers NI is £100,385 (2023: £88,742).

6. EMPLOYEE INFORMATION

	2024	2023
	£	£
Staff costs during the year:		
Wages and salaries	797,004	631,581
Social security costs	70,688	57,794
Other pension costs	98,246	67,305
	965,938	756,680
	Number	Number
The average number of full time equivalent persons employed during the year was	19	16

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. OPERATING SURPLUS FOR THE YEAR

	2024	2023
	£	£
Surplus is stated after charging:		
Depreciation of tangible owned fixed assets	1,070,969	896,831
Auditor's remuneration – audit services excluding VAT	14,700	14,000
Auditor's remuneration – non audit services	1,000	-
Loss on disposal of components	9,082	60,166
Amortisation of capital grants	(570,251)	(499,195)
	<u> </u>	<u> </u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2024	2023
	£	£
Bank loan interest	285,319	128,025
	<u> </u>	<u> </u>

9. OTHER FINANCE CHARGES

	2024	2023
	£	£
Net interest expense – defined benefit pension scheme	4,000	264
	<u> </u>	<u> </u>

10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

The Association is a Registered Scottish Charity (charity number 2194R(S)) and is exempt from Corporation Tax on its charitable activities.

No corporation tax (2023: £nil) is due from the Association's other activities.

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. NON-CURRENT ASSETS

a) Housing Properties	Housing Properties Held for Letting	Housing Properties in the Course of Construction	Shared Ownership Properties Held for Letting	Total
	£	£	£	£
COST				
At start of the year	40,089,555	5,015,619	551,965	45,657,139
Additions - components	339,327	-	-	339,327
Additions - property	-	1,622,472	-	1,622,472
Disposals - components	(61,182)	-	-	(61,182)
Transfers	6,638,091	(6,638,091)	-	-
At end of year	<u>47,005,791</u>	<u>-</u>	<u>551,965</u>	<u>47,557,756</u>
DEPRECIATION				
At start of the year	14,078,643	-	209,594	14,288,237
Charged during year	1,039,605	-	8,384	1,047,989
Eliminated on disposal - components	(52,100)	-	-	(52,100)
Transfers	-	-	-	-
At end of year	<u>15,066,148</u>	<u>-</u>	<u>217,978</u>	<u>15,284,126</u>
NET BOOK VALUE				
At start of the year	<u>26,010,912</u>	<u>5,015,619</u>	<u>342,371</u>	<u>31,368,902</u>
At end of the year	<u>31,939,643</u>	<u>-</u>	<u>333,987</u>	<u>32,273,630</u>

Included within housing properties is land of £5,344,849 that is not depreciated (2023 - £4,662,595).

Total expenditure on existing properties in the year amounted to £1,119,724 (2023 - £1,301,286). The amount capitalised is £339,327 (2023 - £599,115), with the balance charged to the Statement of Comprehensive Income with the remainder included within expenditure (see note 3). This amount of £339,327 (2023 - £599,115), capitalised was spent on component replacements.

34 units (2023: 9 units) from the current development came off site before 31 March 2024.

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b) Other Tangible Assets	Office Premises	Land	Office IT & Equipment	Total
	£	£	£	£
COST				
At start of the year	717,277	15,060	28,270	760,607
Additions	-	-	6,268	6,268
Disposals	-	-	-	-
At end of year	<u>717,277</u>	<u>15,060</u>	<u>34,538</u>	<u>766,875</u>
DEPRECIATION				
At start of the year	128,604	-	7,068	135,672
Charged during year	14,346	-	8,634	22,980
Disposals	-	-	-	-
At end of year	<u>142,950</u>	<u>-</u>	<u>15,702</u>	<u>158,652</u>
NET BOOK VALUE				
At start of year	<u>588,673</u>	<u>15,060</u>	<u>21,202</u>	<u>624,935</u>
At end of year	<u>574,327</u>	<u>15,060</u>	<u>18,836</u>	<u>608,223</u>

c) Investment Property

	Investment Property
	£
At start of the year	100,000
Increase in valuation	-
At end of year	<u>100,000</u>

The investment property is a commercial unit leased out at the Calvay Centre. This was valued by JLL, an independent surveyor on 9 March 2023. This is considered the fair value as at 31 March 2024.

12. DEBTORS

	2024	2023
	£	£
Arrears of rent & service charges	128,228	135,435
Less: provision for doubtful debts	(63,000)	(51,500)
Prepayments and accrual income	65,128	83,935
Other debtors	86,467	205,697
	781	25,668
	<u>152,376</u>	<u>315,300</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13a. CASH AND CASH EQUIVALENTS

	2024	2023
	£	£
Cash and cash equivalents	1,627,927	1,939,774

13b. INVESTMENTS

	2024	2023
	£	£
Investments – deposits with a maturity > 90 days	1,500,000	1,000,000

14. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Housing loans	400,268	285,268
Trade payables	134,358	381,155
Rent in advance	140,783	134,471
Other taxation and social security	-	19,078
Other payable	-	6,233
Accruals and deferred income	173,626	588,457
Retention creditor	137,263	-
Deferred Government capital grants (note 16)	567,130	494,891
	<u>1,553,428</u>	<u>1,909,553</u>

15. CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	2024	2023
	£	£
Retention creditor	-	223,084
Housing loans	5,291,696	3,591,963
Deferred government capital grants (note 16)	16,589,944	17,232,434
	<u>21,881,640</u>	<u>21,047,481</u>

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

Loans are secured by specific charges on the Association's properties. The net book value of housing properties secured at the year end was £11,796,803 (2023: £12,155,684). Loans are repayable at 1.8% plus base and Sonia + LAS + 1.5% (2023 – 1.8% plus base and Sonia + LAS + 1.5%) in instalments as follows:

The Housing loans are repayable as follows:	2024	2023
	£	£
Between one and two years	402,968	400,268
Between two and five years	1,236,103	1,222,803
In five years or more	3,652,625	1,968,892
	<u>5,291,696</u>	<u>3,591,963</u>

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. DEFERRED GOVERNMENT CAPITAL GRANTS

	2024	2023
	£	£
Social Housing Grants		
Balance as at 1 April 2023	17,727,325	14,385,036
Additions in year	-	3,860,021
Released/Repaid as the result of property disposal	(3,121)	(22,841)
Amortisation in Year	(567,130)	(494,891)
	<u>17,157,074</u>	<u>17,727,325</u>
Balance as at 31 March 2024	<u>17,157,074</u>	<u>17,727,325</u>

Total deferred grants

This is expected to be released to the Statement of Comprehensive Income as follows:

Amounts released within one year	567,130	494,891
Amounts released in one year or more:		
1-2 years	567,130	494,891
2-5 years	1,701,390	1,484,673
> 5 years	14,321,424	15,252,870
	<u>16,589,944</u>	<u>17,232,434</u>
	<u>17,157,074</u>	<u>17,727,325</u>

17. RETIREMENT BENEFIT OBLIGATIONS

The Association 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 will run to either 30 September 2024 or 31 March 2025 (depending on funding levels) for the majority of employers, although certain employers have different arrangements.

The Scheme is classified as a 'last man' standing arrangement'. Therefore, the Association 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 accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September each year. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 28 February 2025 inclusive.

The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

CALVAY HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Pension Scheme Liability movements:

	2024	2023
	(£000s)	(£000s)
As at 1 April 2023	(72)	(13)
Current Service Cost	-	-
Net Interest expense	(4)	-
Expenses	(3)	(3)
Deficit Contributions Paid	3	54
Impact of change in assumptions	(148)	(110)
As at 31 March 2024	<u>(224)</u>	<u>(72)</u>

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION,

FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March	31 March
	2024	2023
	(£000s)	(£000s)
Fair value of plan assets	1,823	2,043
Present value of defined benefit obligation	(2,047)	(2,115)
Surplus/(deficit) in plan	(224)	(72)
Unrecognised surplus	-	-
Defined benefit (liability) to be recognised	<u>(224)</u>	<u>(72)</u>

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Year	Year
	ended	ended
	31 March	31 March
	2024	2023
	(£000s)	(£000s)
Defined benefit obligation at start of period	2,115	3,204
Current service cost	-	-
Expenses	3	3
Interest expense	101	85
Contributions by plan participants	-	-
Actuarial (gains)/losses due to scheme experience	(44)	(12)
Actuarial (gains)/losses due to changes in demographic assumptions	(14)	(48)
Actuarial (gains)/losses due to changes in financial assumptions	(3)	(789)
Benefits paid and expenses	(111)	(328)
Defined benefit obligation at end of period	<u>2,047</u>	<u>2,115</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Year ended 31 March 2024 (£000s)	Year ended 31 March 2023 (£000s)
Fair value of plan assets at start of period	2,043	3,191
Interest income	97	85
Experience on plan assets (excluding amounts included in interest income) – gain/(loss)	(209)	(959)
Contributions by the employer	3	54
Contributions by plan participants	-	-
Benefits paid and expenses	(111)	(328)
	<u>1,823</u>	<u>2,043</u>
Fair value of plan assets at end of period	<u>1,823</u>	<u>2,043</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was £(112,000).

DEFINED BENEFIT COST RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCl)

	Year ended 31 March 2024 (£000s)	Year ended 31 March 2023 (£000s)
Current service cost	-	-
Expenses	3	3
Interest	4	-
	<u>7</u>	<u>3</u>
Defined benefit costs recognised in statement of comprehensive income (SOCl)	<u>7</u>	<u>3</u>

DEFINED BENEFIT COST RECOGNISED IN STATEMENT OF OTHER COMPREHENSIVE INCOME (SOCl)

	Year ended 31 March 2024 (£000s)	Year ended 31 March 2023 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) – (loss)/gain	(209)	(959)
Experience gains and losses arising on the plan liabilities – gain/(loss)	44	12
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	14	48
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	3	789
	<u>(148)</u>	<u>(110)</u>
Total actuarial gains and losses recognised in other comprehensive income - (loss)/gain	<u>(148)</u>	<u>(110)</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

ASSETS

	31 March 2024 (£000s)	31 March 2023 (£000s)
Global Equity	210	54
Absolute Return	82	28
Distressed Opportunities	67	63
Credit Relative Value	64	78
Alternative Risk Premia	66	12
Fund of Hedge Funds	-	-
Emerging Markets Debt	32	16
Risk Sharing	109	149
Insurance Linked Securities	11	57
Property	77	85
Infrastructure	175	220
Private Equity	1	-
Private Debt	73	91
Opportunistic Liquid Credit	73	90
High Yield	-	10
Opportunistic Credit	-	-
Cash	47	9
Corporate Bond Fund	-	3
Liquid Credit	-	-
Long Lease Property	14	68
Secured Income	61	137
Over 15 Year Gifts	-	-
Liability Driven Investment	660	864
Currency Hedging	(1)	4
Net Current Assets	2	5
	<u>1,823</u>	<u>2,043</u>

KEY ASSUMPTIONS

	31 March 2024 % per annum	31 March 2023 % per annum
Discount Rate	4.90	4.88
Inflation (RPI)	3.15	3.20
Inflation (CPI)	2.78	2.74
Salary Growth	3.78	3.74
Allowance for commutation of pension for cash at retirement	75% of Maximum Allowance	75% of <i>maximum allowance</i>

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	2024 Life expectancy at age 65 (Years)	2023 Life expectancy at age 65 (Years)
Male retiring in 2024	20.2	20.5
Female retiring in 2024	22.7	23.0
Male retiring in 2043	21.4	21.7
Female retiring in 2043	24.1	24.4

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17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation.

The Association has been notified by TPT of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2023. As of this date the estimated employer debt for the Association was £654,233.

Scheme Benefit Review

The Trustee has carried out a review comparing the benefits to Scheme members with requirements of the Scheme documentation. It has received legal advice that there is sufficient uncertainty regarding the effect of some benefit changes that the Court should be asked to provide clarity; to provide the Trustee with the certainty it needs to properly administer the Scheme.

Preparation for the Court case is progressing to schedule and the Court has provided an expected window for the hearing during February 2025, with judgement currently expected in Q2 2025.

Should the Court decide that the historic benefits charged need to be applied differently, then some member benefits would need to be increased, which would increase the value placed on Scheme liabilities. No allowance has been made for potential additional liabilities within the estimate provided above.

18. SHARE CAPITAL

	2024 £	2023 £
Share of £1 each issued and fully paid		
At 1 April 2023	44	53
Issued in year	3	4
Cancelled in year	(7)	(13)
As at 31 March 2024	<u>40</u>	<u>44</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends 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 member's meetings.

19. STATEMENT OF CASH FLOWS

Reconciliation of operating surplus to cash flow from operating activities	2024	Restated 2023
	£	£
Operating surplus	638,429	838,865
Depreciation	1,080,051	956,997
Amortisation of capital grants	(570,251)	(494,891)
Change in debtors	162,924	(173,960)
Change in creditors	(766,448)	728,493
SHAPS expenses	-	2,736
Cancelled Shares	(7)	(13)
Social Housing Grant released	-	(22,841)
Cash inflow from operating activities	<u>544,698</u>	<u>1,835,386</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. ANALYSIS OF CHANGES IN NET DEBT

	As at 1 April 2023 £	Cash Flows £	Non Cash Changes £	As at 31 March 2024 £
Cash at bank	1,939,774	(311,847)	-	1,627,927
Investments	1,000,000	500,000	-	1,500,000
Loans falling due within one year	(285,268)	285,267	(400,267)	(400,268)
Loans falling due after more than one year	(3,591,963)	(2,100,000)	400,267	(5,291,696)
TOTAL	<u>(937,457)</u>	<u>(1,626,580)</u>	<u>-</u>	<u>(2,564,037)</u>

21. HOUSING STOCK

The number of units of accommodation in management at the year-end was:	2024	2023
	No.	No.
General Needs	868	834
Shared Ownership	15	15
	<u>883</u>	<u>849</u>

34 units from the development came off site at the end of March 2024.

22. OTHER PROPERTIES

	2024	2023
	No.	No.
Office	1	1
Investment property – shop unit	1	1
	<u>2</u>	<u>2</u>

Part of the office is leased to Quarriers, a charity, providing services to the local community including the tenants of the Association. As this is viewed as a furtherance of the Association's own charitable objectives and activities, this part of the office is included in other fixed assets at historical cost and not as an investment property. The rent of £12,000 (2023: £12,000) is included in rental income from general needs units.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. RELATED PARTY TRANSACTIONS

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102. The related party relationships of the members of the Management Committee are summarised as:

- 4 Members (2023: 7) are tenants of the Association
- Management Committee members cannot use their position to their advantage. 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 were as follows:

- Rent Received from Committee members and from close family members of the Committee was £16,296. (2023: £42,757).
- At the year-end total rent arrears owed by Committee members and close family members of the Committee were £47 (2023: £nil). Rent prepaid at the year totalled £1,044 (2023: £2,058).

Reimbursed expenses totalling £806 (2023: £521) were paid to the Management Committee members in the year to 31 March 2024.

24. DETAILS OF THE ASSOCIATION

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

The Association's principal place of business is 16 Calvay Road, Glasgow, G33 4RQ

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

25. CAPITAL COMMITMENTS

	2024	2023
	£	£
Expenditure authorised by the Management committee and contracted for	-	2,252,425
Expenditure authorised by the Management committee not contracted for	-	-
	<u>-</u>	<u>2,252,425</u>
	<u>-</u>	<u>2,252,425</u>
Funded by:		
Social Housing Grant	-	-
External Funding	-	2,252,425
Reserves	-	-
	<u>-</u>	<u>2,252,425</u>
	<u>-</u>	<u>2,252,425</u>

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26. FUTURE WORKS REQUIRED

During 2022/23, some building defects became apparent in properties in Calvay Crescent and Barlanark Road. Calvay has notified all affected tenants and put measures in place to make the housing units safe until a long term solution is agreed and funding is in place. The Association has commissioned a project team to review this, and it was agreed that an Energy Efficient External Wall Insulation program would be the most appropriate course of action. The Association has identified that the costs of the project would be circa £4.8m and a grant application has been made to the Scottish Government for around £2.4m with the rest of the funding being required from new borrowings.