



**CASSILTOUN HOUSING ASSOCIATION LIMITED**  
**GROUP REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**Registered Housing Association No. 84**

**FCA Registration No. 2190R(S)**

**Registered Charity No. SC 035544**

# CASSILTOUN HOUSING ASSOCIATION LIMITED

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**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS**

**YEAR ENDED 31 MARCH 2017**

**Board of Management**

Anne M Stuart MBE	Chair
Evelyn Ferguson	Secretary
Teresa McGowan	Treasurer
George Kelly	Vice Chair
Adam Milligan	
Robert Brennan	
William Craig	
Teresa Sadler	
James Garrow	
Julie McNeil	Co-optee

**Executive Officers**

Charlie Millar	Chief Executive
Gamal Haddou	Director of Finance
Fiona McGowan	Director of Operations

**Registered Office**

Castlemilk Stables  
59 Machrie Road  
Castlemilk  
Glasgow  
G45 0AZ

**External Auditor**

Scott-Moncrieff  
25 Bothwell Street  
Glasgow  
G2 6NL

**Banker**

Bank Of Scotland  
82 Main Street  
Rutherglen  
G73 2HZ

**Solicitor**

T C Young  
7 West George Street  
Glasgow  
G2 1BA

**Registration particulars**

Financial Conduct Authority

Co-operative and Community Benefit Societies Act 2014  
Registered Number 2190 R(S)

Scottish Housing Regulator

Housing (Scotland) Act 2010  
Registered Number 84

Office of the Scottish Charity Regulator

Charities and Trustee Investment (Scotland) Act 2005  
Scottish Charity Number SC 035544

## CASSILTOUN HOUSING ASSOCIATION LIMITED

### REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)

#### FOR THE YEAR ENDED 31 MARCH 2017

The Board of Management presents its Report of the Board of Management (incorporating the Strategic Report) and the financial statements for the year ended 31 March 2017.

#### Principal Activities

The principal activity of Cassiltoun Housing Association Limited is the development, management and maintenance of housing for people in housing need.

The Association has two subsidiaries, Cassiltoun Trust and Cassiltoun Stables Nursery Limited. Cassiltoun Trust is a charitable company established to conserve for the benefit of the public, buildings of historical and architectural significance; advance knowledge about the history and role of Castlemilk; and provide facilities for education, training, employment and recreational time. The principal activity of Cassiltoun Stables Nursery Limited is to provide a first class nursery childcare facility for 0-5 year olds set alongside a local park and woodland environment.

Cassiltoun Housing Association Limited is registered with the Financial Conduct Authority as a Community Benefit entity, The Office of the Scottish Charities Regulator (OSCR) as a Charity and the Scottish Housing Regulator as a Registered Social Landlord. The Association is incorporated in Scotland.

The table below shows the property we own:-

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b><i>Managed Property Numbers</i></b>		
Tenanted Property	982	988
Shared Ownership Properties	4	4
Buchanan Lodge Residential Home (bedspaces)	40	40
<b><i>Total</i></b>	<u>1,026</u>	<u>1,032</u>

There were six properties sold under Right to Buy in the year.

#### Our Strategic Aims

Cassiltoun Housing Association Limited has as its Strategic Aims:

- To ensure our rents remain affordable by maintaining a stock base sufficient to achieve economies of scale and deliver effective services in a cost efficient way;
- Maintain the high quality of our housing and service provision, ensuring the comfort of tenants and the protection of investment;
- Contribute to the wellbeing of the local community by working with tenants, residents, partners and funders to develop initiatives that promote regeneration and increased levels of inclusion;
- Ensure that the work of the Cassiltoun Group is supported by good governance, effective financial, management and regulatory compliance and robust administrative and HR systems; and
- Ensure we attract and retain highly skilled and knowledgeable staff and Board members. Develop our staff and Board members through education, training and coaching.



## CASSILTOUN HOUSING ASSOCIATION LIMITED

### REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)

#### FOR THE YEAR ENDED 31 MARCH 2017

#### **Our Operational Objectives 2016/17**

- To continue to recruit new board members to assist with the strategic leadership and direction of the Association;
- To support our Board of Management's agreed training and learning plan;
- To maintain performance across the KPI's set out in the Internal Management Plan, Operational Service Plan and Advice Team Service Plan;
- To ensure that we deliver the objectives set in the Asset Management Plan and effectively deliver our 2016/17 major repair improvement plans;
- Continue to maintain the effectiveness of our Reactive, Cyclical and Environmental contracts;
- To support our subsidiary "Stables Nursery" business in its fifth year of operation;
- To ensure that the Association's Welfare Reform mitigation plans are effective and that we remain flexible in our approach to managing the full range of welfare changes;
- To support Cassiltoun Trust in achieving its objectives, including completion of an options appraisal of the heating system at the Stables;
- To meet existing funders expectations and continue to seek other opportunities to continue with non-housing regeneration plans;
- To deliver the Castlemilk Park Events programme in 2016/17 and to progress with the ongoing regeneration of the park;
- To take forward the plans outlined in the housing development feasibility report, (dated January 2016) for the Church site, Labour Club site and Local Repairs Office site;
- To complete a full energy efficiency survey to support the Association's EESSH plans;
- To achieve "Healthy Working Lives" Gold Award in 2016;
- To complete a comprehensive update of our stock condition survey; and
- By October 2016 complete the tenant satisfaction survey.

#### **Our Mission Statement**

We aim to enhance the quality of life of our clients and to regenerate and sustain our community through housing-led and resident controlled initiatives.

#### **Financial Review**

##### ***Association***

We performed well in the year despite the economic and welfare reform challenges facing our sector. Our rental trading income was identical to that budgeted and we remain confident about the future. Turnover of £4,762k was again better than expected due to additional grant funding received whilst the ending of the Right to Buy legislation caused a small spike in sales of properties to six.

The adherence to Financial Reporting Standard 102 (FRS 102) has materially changed the presentation of our accounts and, similar to other housing associations, will make historical comparisons and benchmarking more difficult over the next few years. Our accounting systems and fixed asset software has been robust enough to accommodate the necessary changes whilst maintaining a clear view of underlying performance.

Reactive maintenance costs show an increase from last year due to greater demand and employing a handyman service. Management and maintenance administration is 7.9% higher than last year partially due to increased staffing for which grant income is often received and also the increased rental contribution to Cassiltoun Trust through the release of the rent debtor. Expenditure finished the year a little below budgeted due to not needing to financially support the Stables Nursery subsidiary.

## **CASSILTOUN HOUSING ASSOCIATION LIMITED**

### **REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)**

#### **FOR THE YEAR ENDED 31 MARCH 2017**

During the year the Association completed a development feasibility report to construct up to 45 units across three sites recently acquired. Development & Regeneration Services at Glasgow City Council approved the Association's proposals and by January 2017 a design team had been appointed to oversee the project. In summary, we envisage seeking tender approval by Autumn 2017 thereafter a contractor will be appointed with a site construction period from May 2018 lasting 14 months.

The Board have a robust risk approach in place making two important external appointments to ensure that each of development management, business planning and funding preparations are in place in advance of the development timetable.

The Association will update the Scottish Housing Regulator (SHR) of our development plans in the autumn of 2017.

The new build housing will help many local people who require larger and smaller accommodation and we anticipate further housing needs being met as a result of internal transfers.

Our full development plan can be read by visiting our website.

#### ***Group***

The group turnover of £5,180k arises mainly from the housing association with additional sales from the Nursery and grant receipts from the Trust. Turnover is marginally above our expectations and costs are monitored closely within each entity.

Group profitability is higher than the Association as a result of improved Nursery trading and eliminating inter-company costs on consolidation.

The Nursery made a surplus of £19k and is on its way to trading profitably after losses in the initial years after start up. The Trust however achieved an unusually high surplus in the year, of £120K, as a result of the termination of the existing lease agreement with Cassiltoun Housing Association Limited. Without this the underlying position would be a deficit of £13k arising from high heating running costs and an increase in commercial rates.

#### **Principal Risk and Uncertainties**

The Group has a robust planning framework in place which includes how we manage risk and uncertainties. In our Internal Management Plan we set out risks that we anticipate and explain how we monitor and manage risks. We regularly review and consider risks in all decision making.

Welfare reform changes have been mitigated through having a Money Advice Team to support tenants and owners helping them manage and budget personal finances. The affordability of pensions is under scrutiny and external advice has been taken on continuing the final salary scheme. This scheme is closed to new entrants and auto enrolment commenced in June 2016 with a defined contribution scheme and an employer's rate of 6% which meets the Pension Quality Mark. The EU referendum result is unlikely to have a significant impact on the Association as there is no exposure to house selling from development activity and interest rates on loans are significantly fixed.

A review of the Risk Policy and Risk Register was undertaken during the year to ensure that the Group is prepared to mitigate risks that exist now or may arise in the future and we continue to focus on our business plan objectives.

## CASSILTOUN HOUSING ASSOCIATION LIMITED

### REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)

#### FOR THE YEAR ENDED 31 MARCH 2017

#### Future Plans

##### *Association*

In addition to the development proposals above the Association intends to explore working with another builder to jointly construct a private and social housing mixed development where the Association owns land adjacent to the builder. This will enable the Association to continue its modest development programme into the next 3-5 years and contribute to the Scottish Government's stated desire to increase supply of accommodation.

##### *Group*

Across the group we are again increasing the Nursery size which will be achieved by the rental of an additional room from Cassiltoun Trust to accommodate the increasing demand.

Cassiltoun Trust will continue its employability programme and parks project for which grant funding is received. In addition The Stables building relies on a ground source heating system, which has proven to be prone to failure, inefficient and expensive. The Trust Board will employ consultants to prepare an in-depth Project Brief to allow contractors to submit bids for the replacement of this to a traditional gas heating system along with a gas pipe supply.

#### Financial and Non-Financial Key Performance Indicators

Key financial information is as follows:

##### *Association*

	<u>2016/17</u>	<u>2015/16</u>
Staff Costs / Turnover	23.0%	21.1%
Management Administration Costs / Turnover	26.5%	22.7%
Reactive Maintenance / Turnover	12.6%	11.1%
Bank loan Interest Payable / Turnover	5.8%	6.3%
Current Ratio (current assets / current liabilities)	3.2 times	3.4 times
Bank loan interest Cover (operating surplus/bank loan interest)	3.5 times	3.8 times
Asset cover (total assets less current liabilities / creditors > 1yr)	1.2 times	1.2 times
Debt per Housing Unit	£7,265	£7,547

##### *Group*

	<u>2016/17</u>	<u>2015/16</u>
Staff Costs / Turnover	25.2%	22.9%
Management Administration Costs / Turnover	21.0%	20.2%
Average number of days to pay suppliers	20.3 days	20.2 days

#### Corporate Governance

Our governing body is our Board of Management which is responsible to the wider membership. Board of Management members serve in a voluntary and unpaid capacity and we recognise that this puts even more onus on us to ensure that we set and achieve high standards of professionalism in our work.

The Board of Management is elected by the members of the Association. It is the responsibility of the Board to oversee and lead the strategy and overall direction of the Association, set policy and monitor the operational activities of the Association and its subsidiary companies.

As part of our commitment to continuous improvement we have once again set challenging targets, which are regularly monitored and reviewed by the Board of Management and Senior Management Team.

## **CASSILTOUN HOUSING ASSOCIATION LIMITED**

### **REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2017**

#### **Going Concern**

The Board of Management has reviewed this years results and projections for the next 5 years. The Board has a strong expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Thus the going concern basis of accounting is adopted in preparing the financial statements.

#### **Performance Management**

During 2016/17, the Association demonstrated continuous improvement in many areas of our performance and excellent signs of stability in others underpinned by a planning framework set out as follows. All our staff take part in the business review sessions during our annual review day when we sign off the 3 year Internal Management Plan and 30 year Business Plan. This has been supported by the use of clear planning tools such as SMART planning, the Operational Service Plan, the Asset Management Plan and the Association's Financial Business Plans.

The Association produced its third Tenants Charter Report Card in October 2016 which outlined our charter performance and how we benchmark locally and against the Scottish average. Furthermore, areas that require action for improvement have been identified and published.

We have demonstrated that the shared goals that are understood by all our people allows us to improve as an organisation, which will ultimately lead to our tenants receiving the best housing service possible, combined with other activities and non-housing services that the Association delivers with its partners.

We receive very few complaints of a serious nature and we take prompt action to resolve and learn from those received.

#### **Best use of resources**

The Association remains a Gold Standard Investors in People organisation and we completed a review in June 2016 of our Values, Vision and Mission. Our ongoing performance, future improvements and strong customer focus depends on a highly motivated and well trained staff team and we believe our performance, high levels of tenant satisfaction and attendance management demonstrates this. Investment in our staff team is critical to our success.

Our planned major repairs programme achieved its target by delivering:-

- 147 kitchens in Hoddam Avenue/Terrace and Ballantay Road;
- 57 gas central heating systems replaced around Machrie Road/Street and Croftfoot Terrace;
- 17 new window replacements at Croftfoot Street; and
- 53 properties were painted externally in Elmtree Gdns, Barlia Way and Machrie Drive.

The Association carried out a staff succession plan review covering the next five year period. The purpose of the succession plan is to ensure that the Association's staff have the necessary skills, experience and commitment to take the organisation forward. The review also gave the Board a clear indication of where our staff see their future.

This approach greatly assists the Board to mitigate against potential staffing risks and ensures that we have an adequate training and development plan in place.

The Board have approved a 2017 Succession Plan Review for Board members across our group structure.

The procurement of our reactive repairs, via partnership working with one main contractor, has been successful for the sixth year in succession. Tenant satisfaction levels are consistently high with performance levels between 99% and 100% regularly achieved. Tenants continue to play a vital role in monitoring this performance.

## CASSILTOUN HOUSING ASSOCIATION LIMITED

### REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)

#### FOR THE YEAR ENDED 31 MARCH 2017

##### Best use of resources

During the year we completed 4,325 repairs, an increase of 1,426 from the year prior. The table below summarises our targets, repair type and performance.

CATEGORY	TARGET	NUMBER	COMPLETED ON TIME	% COMPLETED WITHIN TIME
Emergency	6 hours	471	471	100.0%
Urgent and Routine	3 days / 10 days	3,854	3,854	100.0%

Void management performance trend continues to improve year after year. The Association set a target of lower than £8k for rent lost through voids and £5k was achieved (0.13%) demonstrating our commitment to business efficiency. The Association is aware that having a strong base will help us mitigate the ongoing impact of Welfare Reform. Our business planning assumption for voids is very conservative at 2%.

The Association's arrears management faced a number of challenges although performance managed to be better than the target despite the risks posed by Welfare Reform. We believe that our planned approach to the risks surrounding rental income and arrears levels is being controlled and managed effectively:

Budget target was 3.4%  
Performance was 2.3%

The Association continues to prioritise the emerging risks associated with Welfare Reform changes by increasing staffing resources to assist tenants and to cope with the associated additional work load. We believe our approach has helped to maintain good performance and mitigate this risk.

Following on from previous years we believe that sustained performance has been achieved against a backdrop of business growth and a demanding policy context. The current economic downturn and uncertainty caused by the Brexit vote, political uncertainty and the potential impact on the economy has continued to focus the Board's attention on achieving better value for money and greater efficiencies. This is supported by continuous monitoring to ensure that our key targets are met and also to allow us to take corrective action should the Association encounter unplanned trends or changes that may adversely affect it.

The Association's overall performance demonstrates that the Board has a successful strategy in place to achieve its aims and it continues to prepare for the future impact and risks that Welfare Reform changes will have on our business.

We will continue to support tenants throughout the introduction of Universal Credit to help minimise risks for tenants and the Association. Our Welfare and Money Advice Team has been in place from April 2014 and made significant progress assisting tenants to maximise their benefits and manage debts and costs more effectively. The benefit of this to the Association is directly translated into lower arrears over the past three years and more staff time to devote to service delivery.

Like every other housing association and local authority with housing stock, the Association has ensured that its properties meet the "Scottish Housing Quality Standard". This was independently verified and is excellent news for our tenants and for our long term financial forecasting.

The Association has a planning framework in place to review and update our approach to ensuring that the Energy Efficiency Targets set by the Scottish Government are in place for 2020.

## **CASSILTOUN HOUSING ASSOCIATION LIMITED**

### **REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2017**

#### **Development and Wider Role / Regeneration Activities (cont'd)**

External funding of £337k across the Group has enabled the Association to continue to develop and expand its successful regeneration programme. The organisation has worked with a wide range of funders and partners and has continued to; offer work placements to young people, develop advice provision for state benefits and debt advice but also furniture grants and 'home start' packages, deliver the successful 'Stables Studio' art programme for over 50's that prevents social isolation, offer volunteering opportunities in the community garden, work with the community to convert a neglected play area into a greenspace and regenerating Castlemilk Park through a range of events and activities including programmes of Branching Out, Forest Kindergarten, volunteering, employability, education and health initiatives.

The Association has also organised a number of well attended events for tenants and the wider community throughout the year. These give local people (and people new to the area) the chance to socialise and make new friends. It also helps Castlemilk to be seen as a thriving, vibrant place to live, work and visit.

Events have included

- Family trips to a theme park and the SECC pantomime;
- Outings for the over 40s;
- A Pumpkin festival culminating with a Halloween walk; and
- A World Peace Day celebration.

The Association has continued to support the growth and development of its social enterprise subsidiary, Cassiltoun Stables Nursery Limited. The Nursery continues to create employment as child numbers increase, with staff numbers now reaching 17, and provide training and student placements. This year we created 3 work placements for young unemployed people through Employment schemes and 5 training placements. By March 2017 there were 63 children attending the nursery, either part or full-time. This is the equivalent of 32 full time children compared to 20 at the start of the year.

#### **Operations**

Again like previous years we continued to make further improvements to our operational performance through the ongoing integration of service provision, which was underpinned by our robust Operational Service Plan. Our staff have clear targets and objectives to achieve these are regularly monitored by the Senior Management Team and Board of Management.

Feedback from tenants remains positive with regular high levels of overall satisfaction being identified from satisfaction surveys.

#### **Business Continuity Plan**

The Board has a combined plan with robust procedures in place to deal with disasters and any severe business interruptions.

In recent years the Board become more concerned over business interruption and service delivery during severe winter weather and heavy snow. One 4x4 vehicle is owned which can operate safely in bad weather and allow the office to be kept open.

#### **Performance Review**

The Board carries out two major strategic performance reviews each year to ensure that our Strategic and Operational Objectives are carefully monitored. The Association uses a traffic light monitoring system (six month reviews and quarterly operational reports) to quickly identify any sign that a set objective may not be achieved. At the end of the year we were pleased that 13 of our 16 objectives were achieved or making considerable progress with no concern. We successfully achieved "Healthy Working Lives Gold Award" and delivered on our strategic objectives.

## CASSILTOUN HOUSING ASSOCIATION LIMITED

### REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)

#### FOR THE YEAR ENDED 31 MARCH 2017

##### **Policies and Procedures**

The Board approves policy and procedures on a rolling basis unless changes in guidance or legislation enforce earlier reviews. The Association has over 70 policies and procedures that provide the necessary guidance on how it runs and manages its business in accordance with these procedures and rules.

##### **Credit Payment Policy**

The Association's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period remained at 20 days from receipt of invoice via a weekly payment run. The target set is within 22 days.

##### **Rental Income**

The Association's Rent Policy is a points system based on the size, type and facilities of the provided accommodation. The policy ensures that the rent structure is easy to administer and covers the wide variations within the Association's properties.

##### **Budgetary Process**

Each year the Board approves the budget and rolling five-year strategic plan where key risk areas are identified. Performance is monitored and relevant action taken throughout the year with monthly reporting to the Senior Management Team and bi-monthly Board reporting. Variations from the budget are explained and updated forecasts are prepared together with information on key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

##### **Treasury Management**

The Association has an active treasury management function, which operates in accordance with the Treasury Management Policy. In this way the Association manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due. Excess balances are placed on short term deposits between 1-18 months. The Association, as a matter of policy, does not enter into transactions of a speculative nature. At March 2017 the Association continued to have a mix of 55% long term fixed and 45% variable rate loan finance.

##### **Quality and Integrity of Personnel**

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through the Chief Executive.

##### **Board of Management**

The Board of Management of Cassiltoun Housing Association Limited during the year to 31 March 2017 and up to the signing of these financial statements was as follows:

Anne M Stuart MBE	Chair	
Teresa McGowan	Treasurer	
Evelyn Ferguson	Secretary	
George Kelly	Vice-Chair	
Adam Milligan		
Jean White		Resigned 15/08/16
Robert Brennan		
William Craig		
James Garrow		
Teresa Sadler		Appointed 15/08/16
Nicola Wilson		Resigned 20/04/16
Ms Julie McNeil	Co-optee	Appointed 26/10/16

**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2017**

**Board of Management (cont'd)**

Sub-committee membership	7	Staffing
	5	Development & Wider Role
	7	Operations
	4	Audit

Both subsidiaries are managed by their individual Boards and have at least one member from the housing association. The subsidiaries choose Board members who have specific expertise in a similar field and meet at least 4 times a year.

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

During 2016/17, Board members undertook both internal and external training sessions as identified during their formal appraisal and needs assessment carried out by an external consultant. The outcome was to identify individual strengths and weaknesses and to create training plans that will improve their effectiveness as Board members. In addition 1 to 1 interviews between the Chief Executive and Association office bearers are carried out.

**Disclosure of Information to the Auditor**

To the knowledge and belief of each of the persons who are members of the Board of Management at the time the report is approved:

- So far as the Board of Management members are aware, there is no relevant information of which the Group's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Board of Management member in order to make himself/herself aware of any relevant audit information, and to establish that the Group's auditor is aware of the information.

**Auditor**

A resolution to re-appoint Scott-Moncrieff, Chartered Accountants, as auditor will be put to the members at the Annual General Meeting.

**By order of the Board of Management**

Secretary: 

Evelyn Ferguson

Date: 28 June 2017



## **CASSILTOUN HOUSING ASSOCIATION LIMITED**

### **STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITIES**

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association and Group will continue in business.

The Board of Management is responsible for proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and of the Group. The Board of Management must 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 2014 issued by the Scottish Housing Regulator. It is also responsible for safeguarding the assets of the Association and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**STATEMENT ON INTERNAL FINANCIAL CONTROL**

**FOR THE YEAR ENDED 31 MARCH 2017**

The Board of Management acknowledges its ultimate responsibility for ensuring that the Association and the Group 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:-

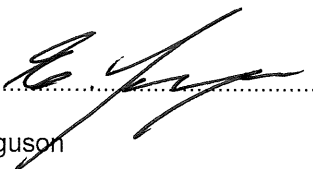
- the reliability of financial information used within the Association and the Group, or for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposition.

It is the Board of Management's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements of the Association's and the Group'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 the Association's and the Group'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 Board of Management to monitor the key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- regular financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Management;
- the Board of Management receive reports from management and from the external and internal auditors, to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association and the Group is undertaken; and
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Board of Management have reviewed the system of internal financial control in existence in the Association and the Group for the year ended 31 March 2017 and until the date these financial statements have been signed. 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 Auditor's Report on the financial statements.

**By order of the Board of Management**

Secretary: 

Evelyn Ferguson

Date: 28 June 2017

## CASSILTOUN HOUSING ASSOCIATION LIMITED

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

#### FOR THE YEAR ENDED 31 MARCH 2017

We have audited the financial statements of Cassiltoun Housing Association Limited for the year ended 31 March 2017 which comprise the Group and Association's Statement of Comprehensive Income, the Group and Association's Statement of Changes in Capital and Reserves, the Group and Association's Statement of Financial Position, the Group's Statement of Cash Flows and the related notes. 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 United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members, as a body, in accordance with 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 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.

#### **Respective Responsibilities of the Board of Management and the Auditor**

As explained more fully in the Statement of the Board of Management's Responsibilities set out on page 11, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2017 and of the Group's and Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator.

**CASSILTOUN HOUSING ASSOCIATION LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2017**

**Matters on which we are required to report by exception**

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:

- 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 of the Association; or
- we have not received all the information and explanations we require for our audit.

*Scott - Moncrieff*

**Scott-Moncrieff, Statutory Auditor**

Chartered Accountants  
25 Bothwell Street  
Glasgow  
G2 6NL

Date: 28 June 2017

**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**REPORT BY THE AUDITOR TO THE MEMBERS OF CASSILTOUN HOUSING ASSOCIATION LIMITED  
ON INTERNAL FINANCIAL CONTROL**

**FOR THE YEAR ENDED 31 MARCH 2017**

In addition to our audit of the Financial Statements, we have reviewed your statement on page 12 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 any non-compliance.

**Opinion**

In our opinion the Statement on Internal Financial Control on page 12 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 Board and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Board's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

*Scott-Moncrieff*

**Scott-Moncrieff, Statutory Auditor**

Chartered Accountants  
25 Bothwell Street  
Glasgow  
G2 6NL

Date: 28 June 2017

**CASSILTOUN HOUSING ASSOCIATION LIMITED**  
**GROUP STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
<b>Turnover</b>	<b>4</b>	5,180,313	4,993,838
Operating expenditure	<b>4</b>	(4,069,799)	(3,894,904)
<b>Operating surplus</b>	<b>8</b>	1,110,514	1,098,934
Gain/(loss) on sale of property, plant and equipment	<b>9</b>	11,315	(19,306)
Interest receivable		39,352	33,919
Interest and financing costs	<b>10</b>	(317,194)	(342,531)
<b>Surplus before tax</b>		843,987	771,016
Taxation	<b>11</b>	-	-
<b>Surplus for the year</b>		843,987	771,016
Other comprehensive (loss)/income	<b>24</b>	(313,000)	217,000
<b>Total comprehensive income for the year</b>		530,987	988,016

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements.

**CASSILTOUN HOUSING ASSOCIATION LIMITED**  
**ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2017 £	2016 £
<b>Turnover</b>	<b>4</b>	4,762,385	4,644,093
Operating expenditure	<b>4</b>	<u>(3,798,083)</u>	<u>(3,529,120)</u>
<b>Operating surplus</b>	<b>8</b>	964,302	1,114,973
Gain/(loss) on sale of property, plant and equipment	<b>9</b>	11,315	(19,306)
Interest receivable		45,452	38,419
Interest and financing costs	<b>10</b>	<u>(316,364)</u>	<u>(340,707)</u>
<b>Surplus before tax</b>		704,705	793,379
Taxation	<b>11</b>	<u>-</u>	<u>-</u>
<b>Surplus for the year</b>		704,705	793,379
Other comprehensive (loss)/income	<b>24</b>	<u>(313,000)</u>	<u>217,000</u>
<b>Total comprehensive income for the year</b>		<u><u>391,705</u></u>	<u><u>1,010,379</u></u>

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements.

**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**GROUP STATEMENT OF CHANGES IN CAPITAL AND RESERVES**

**FOR THE YEAR ENDED 31 MARCH 2017**

	<b>Share capital £</b>	<b>Pension reserve £</b>	<b>Restricted reserve £</b>	<b>Revenue reserve £</b>	<b>Total reserves £</b>
Balance at 1 April 2016	343	(199,000)	543	5,727,388	5,529,274
Total comprehensive income for the year	-	(313,000)	1,372	842,615	530,987
Shares issued during the year	36	-	-	-	36
Shares cancelled during the year	(102)	-	-	-	(102)
Transfer	-	(7,000)	-	7,000	-
	<u>277</u>	<u>(519,000)</u>	<u>1,915</u>	<u>6,577,003</u>	<u>6,060,195</u>

**GROUP STATEMENT OF CHANGES IN CAPITAL AND RESERVES**

**FOR THE YEAR ENDED 31 MARCH 2016**

	<b>Share capital £</b>	<b>Pension reserve £</b>	<b>Restricted reserve £</b>	<b>Revenue reserve £</b>	<b>Total reserves £</b>
Balance at 1 April 2015	333	(393,000)	9,819	4,924,096	4,541,248
Total comprehensive income for the year	-	217,000	(9,276)	780,292	988,016
Shares issued during the year	26	-	-	-	26
Shares cancelled during the year	(16)	-	-	-	(16)
Transfer	-	(23,000)	-	23,000	-
	<u>343</u>	<u>(199,000)</u>	<u>543</u>	<u>5,727,388</u>	<u>5,529,274</u>

The notes form part of these financial statements



**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**ASSOCIATION STATEMENT OF CHANGES IN CAPITAL AND RESERVES**

**FOR THE YEAR ENDED 31 MARCH 2017**

	<b>Share capital £</b>	<b>Pension reserve £</b>	<b>Revenue reserve £</b>	<b>Total reserves £</b>
Balance at 1 April 2016	343	(199,000)	5,520,955	5,322,298
Total comprehensive income for the year	-	(313,000)	704,705	391,705
Shares issued during the year	36	-	-	36
Shares cancelled during the year	(102)	-	-	(102)
Transfer	-	(7,000)	7,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	<u>277</u>	<u>(519,000)</u>	<u>6,232,660</u>	<u>5,713,937</u>

**ASSOCIATION STATEMENT OF CHANGES IN CAPITAL AND RESERVES**

**FOR THE YEAR ENDED 31 MARCH 2016**

	<b>Share capital £</b>	<b>Pension reserve £</b>	<b>Revenue reserve £</b>	<b>Total reserves £</b>
Restated balance at 1 April 2015	333	(393,000)	4,704,576	4,311,909
Total comprehensive income for the year	-	217,000	793,379	1,010,379
Shares issued during the year	26	-	-	26
Shares cancelled during the year	(16)	-	-	(16)
Transfer	-	(23,000)	23,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2016	<u>343</u>	<u>(199,000)</u>	<u>5,520,955</u>	<u>5,322,298</u>

The notes form part of these financial statements

CASSILTOUN HOUSING ASSOCIATION LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
<b>Tangible fixed assets</b>					
Housing properties	12a	31,012,407		31,154,445	
Other fixed assets	12b	504,853		538,831	
			31,517,260		31,693,276
<b>Current assets</b>					
<b>Debtors</b>					
Amounts falling due within one year	15b	139,691		237,893	
Current asset investments	16a	3,600,000		2,800,000	
Cash and cash equivalents	16b	907,903		1,134,878	
		4,647,594		4,172,771	
<b>Creditors:</b> amounts falling due within one year	17	(1,476,921)		(1,281,822)	
<b>Net current assets</b>			3,170,673		2,890,949
<b>Total assets less current liabilities</b>			34,687,933		34,584,225
<b>Creditors -</b> Amounts falling due after more than one year	18		(28,108,738)		(28,855,951)
Pension liability	24		(519,000)		(199,000)
<b>Net assets</b>			6,060,195		5,529,274
<b>Capital and reserves</b>					
Share capital	21		277		343
Revenue reserve	21		6,577,003		5,727,388
Pension reserve	21		(519,000)		(199,000)
Restricted reserve	21		1,915		543
			6,060,195		5,529,274

The financial statements were authorised for issue by the Board of Management on 28 June 2017 and signed on its behalf by:

*Anne M Stuart MBE*  
 Chair  
 Anne M Stuart MBE

*Teresa McGowan*  
 Treasurer  
 Teresa McGowan

*Evelyn Ferguson*  
 Secretary  
 Evelyn Ferguson

The notes form part of these financial statements.

CASSILTOUN HOUSING ASSOCIATION LIMITED

ASSOCIATION STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
<b>Tangible fixed assets</b>					
Housing properties	12a	31,012,407		31,154,445	
Other fixed assets	12b	57,371		80,102	
Investments	14	67,296		67,296	
			31,137,074		31,301,843
<b>Current assets</b>					
<b>Debtors</b>					
Amounts falling due after more than one year	15a	90,000		232,884	
Amounts falling due within one year	15b	146,846		241,816	
Current asset investments	16a	3,600,000		2,800,000	
Cash and cash equivalents	16b	820,882		1,062,010	
			4,657,728		4,336,710
<b>Creditors – Amounts falling due within one year</b>	17	(1,453,127)		(1,261,304)	
<b>Net current assets</b>			3,204,601		3,075,406
<b>Total assets less current liabilities</b>			34,341,675		34,377,249
<b>Creditors – Amounts falling due after more than one year</b>	18		(28,108,738)		(28,855,951)
Pension liability	24		(519,000)		(199,000)
<b>Net assets</b>			5,713,937		5,322,298
<b>Capital and reserves</b>					
Share capital	21		277		343
Revenue reserve	21		6,232,660		5,520,955
Pension reserve	21		(519,000)		(199,000)
			5,713,937		5,322,298

The financial statements were authorised for issue by the Board of Management on 28 June 2017 and signed on its behalf by:

*Anne M Stuart MBE*  
 Chair  
 Anne M Stuart MBE

*T. McGowan*  
 Treasurer  
 Teresa McGowan

*E. Ferguson*  
 Secretary  
 Evelyn Ferguson

The notes form part of these financial statements.

**CASSILTOUN HOUSING ASSOCIATION LIMITED**  
**GROUP STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	<b>Notes</b>	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
<b>Net cash generated from operating activities</b>	<b>22</b>	1,006,707	1,387,620
<b>Cash flow from investing activities</b>			
Purchase of housing properties		(1,043,393)	(900,271)
Purchase of other fixed assets		(1,086)	(50,118)
Proceeds from sale of housing properties		143,905	44,477
Government capital grants received		239,883	65,566
Interest received		39,352	33,919
		<u>(621,339)</u>	<u>(806,427)</u>
<b>Cash flow from financing activities</b>			
Interest paid		(278,194)	(296,531)
Repayment of borrowings		(334,185)	(359,477)
Issue of share capital		36	26
		<u>(612,343)</u>	<u>(655,982)</u>
<b>Net change in cash and cash equivalents in the year</b>		<u>(226,975)</u>	<u>(74,789)</u>
<b>Cash and cash equivalents at 1 April</b>	<b>16b</b>	1,134,878	1,209,667
<b>Cash and cash equivalents at 31 March</b>	<b>16b</b>	<u>907,903</u>	<u>1,134,878</u>

The notes form part of these financial statements.

## CASSILTOUN HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2017

##### 1. General information

The financial statements represent the results of the Group and the Association. The presentation currency is pound sterling and the financial statements are rounded to the nearest whole number.

The Association is defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities. The Association is a registered social landlord in Scotland and its registered number is 84. The registered address is included on page 1.

##### 2. Principal accounting policies

The Association is registered under The Co-operative & Community Benefit Societies Act 2014. The financial statements have been prepared in accordance with 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) and comply with the Determination of Accounting Requirements 2014 as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies (see note 3).

A summary of the principal accounting policies is set out below.

###### (a) Basis of preparation

The financial statements are prepared on the historical cost basis of accounting subject to the revaluation of certain fixed assets and in accordance with applicable accounting standards. The effect of events relating to the year ended 31 March 2017, which occurred before the date of approval of the financial statements by the Board of Management have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2017 and of the results for the year ended on that date.

###### (b) Going Concern

The Board of Management has a reasonable expectation that the Association and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the Financial Statements.

###### (c) Turnover

###### *Cassiltoun Housing Association Limited*

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 income from first tranche shared ownership disposals and management fees for the factoring of properties for private owners.

###### *Cassiltoun Stables Nursery Limited*

Incoming resources are recognised when the charitable company has legal entitlement to the funds, the receipt is probable and the amount can be measured reliably.

###### *Cassiltoun Trust*

All voluntary income and bank interest is accounted for when the charitable company has legal entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Rental income relates to let properties and is applied to the period in which it relates.

## CASSILTOUN HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

#### 2. Principal accounting policies (continued)

##### (d) 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.

The costs of cyclical and major repairs are charged to the Statement of Comprehensive Income in the year in which they are incurred.

##### (e) Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income using the effective interest method.

##### (f) Interest payable

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest 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.

##### (g) Housing properties

Properties included in housing properties are stated at cost. The cost of such properties includes the following:

- (i) cost of acquiring land and buildings;
- (ii) development expenditure including applicable overheads; and
- (iii) interest charged during the construction phase on the loans raised to finance the scheme.

These costs are either termed "qualifying costs" for approved Government Grant schemes 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 valuations are prior to the year end. Development costs are capitalised to the extent that they are attributable to specific schemes and where such costs are not excessive. Expenditure on schemes, which are subsequently aborted, is written off in the year in which it is recognised that the scheme will not be developed to completion.

##### (h) Sales of housing properties

Properties are disposed of under the appropriate legislation and guidance. 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 and the grants removed from the financial statements.

First tranche Shared Ownership disposals are credited to turnover on completion, the cost of construction of these sales is taken to operating expenditure. Disposals of subsequent tranches are treated as fixed asset disposals with the gain or loss on disposal taken to the Statement of Comprehensive Income, in accordance with the Statement of Recommended Practice.

**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**2. Principal accounting policies (continued)**

**(i) Depreciation of housing properties**

Housing Properties are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of each major component that makes up the housing property as follows:

Land	Not depreciated
Structure	Over 60 years
Roofs	Over 45 years
Electrical Wiring	Over 30 years
Windows	Over 25 years
Bathrooms	Over 20 years
Kitchens	Over 15 years
Heating (boilers and radiators)	Over 15 years

**(j) Depreciation of other fixed assets**

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

Furniture	20%	Vehicles	25%
Fixtures & Fittings	20%	IT Equipment	20%

**(k) Capitalisation of major repairs expenditure**

The Association capitalises major repairs expenditure where these works are a replacement or restoration of a separate identifiable component or where the works result in an enhancement of economic benefits of the tangible fixed assets. Such enhancement can occur if the improvements result in an increase in rental income, a reduction in future maintenance costs or a significant extension to the life of the component.

Works which fail to meet the above criteria are charged to the Statement of Comprehensive Income.

**(l) Capitalisation of development overheads**

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

**(m) Impairment of fixed assets**

Reviews for impairment of fixed assets are carried out on an annual basis and any impairment in an income-generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of an income-generating unit exceeds the higher of its net realisable value or its value in use or in the case of housing properties, its depreciated replacement cost. Value in use represents the net present value of expected future cash flows from these units.

**(n) Debtors**

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

**(o) Rental arrears**

Rental arrears represent amounts due by tenants for rental of social housing properties at the year end. Management regularly review rental arrears and write them down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in Note 15b.

**(p) 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 three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## CASSILTOUN HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2017

#### 2. Principal accounting policies (continued)

##### **(q) 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.

##### **(r) Financial instruments**

The Association only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade 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 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 business 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.

##### **(s) Government capital grants**

Government Capital Grants, at amounts approved by The Scottish Government or Glasgow City Council, are paid directly to the Association as required to meet its liabilities during the development process. This is treated as a deferred capital grant and is released to income in accordance with the accrual model over the useful life of the asset it relates to on completion of the development phase. 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.

##### **(t) 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.

##### **(u) Non-government capital and revenue 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.

##### **(v) Loans**

Mortgage loans are advanced by financial institutions under the terms of individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments which have been given approval for Government Capital Grant by the Scottish Government or Glasgow City Council.



## CASSILTOUN HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

#### 2. Principal accounting policies (continued)

##### (w) Retirement benefits

###### ***The Scottish Housing Association Defined Benefits Pension Scheme***

The Housing Association participates in The Scottish Housing Association Defined Benefits Pension Scheme and retirement benefits to employees of the Housing 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.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers as the Scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total Scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the Scheme rather than by reference to individual employer experience.

Thus the Scheme is accounted for as a defined contribution scheme. However the Association has entered into a past service deficit repayment agreement with the Pension Trust and per FRS 102, this discounted past service deficit liability has been recognised in the Statement of Financial Position.

###### ***The Strathclyde Pension Fund***

The Strathclyde Pension fund 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.

## CASSILTOUN HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2017

#### 3. Judgements in applying policies and key sources of estimation uncertainty

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 Board of Management are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

<u>Estimate</u>	<u>Basis of estimation</u>
Useful lives of property, plant and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management at the Association, 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 a qualified actuary which have been reviewed and are considered reasonable and appropriate.
The obligations under the Strathclyde Pension Fund	This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate.
The allocation of costs for shared ownership	Management and administration costs are apportioned on the basis of costs of staff directly attributable to the management of the shared ownership units.



CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

5a. Particulars of turnover, operating expenditure and operating surplus from social lettings

Group	General Needs Housing £	Shared Ownership £	2017 £	2016 £
<b>Social Lettings</b>				
Rent receivable net of identifiable service charges	3,862,906	8,603	3,871,509	3,798,380
Service charges receivable	12,274	1,803	14,077	13,873
<b>Gross Income from Rents and Service Charges</b>	<b>3,875,180</b>	<b>10,406</b>	<b>3,885,586</b>	<b>3,812,253</b>
Less: Rent losses from voids	(4,895)	-	(4,895)	(5,900)
Release of deferred Government capital grants	575,258	-	575,258	492,846
<b>Total Turnover from Social Letting Activities</b>	<b>4,445,543</b>	<b>10,406</b>	<b>4,455,949</b>	<b>4,299,199</b>
<b>Operating Expenditure</b>				
Management & maintenance administration costs	1,084,307	4,293	1,088,600	1,008,973
Service costs	33,081	-	33,081	32,381
Planned and cyclical maintenance including major repairs	318,934	1,026	319,960	377,425
Reactive maintenance	599,428	2,194	601,622	514,353
Bad debts – rent and service charges	20,023	-	20,023	17,588
Depreciation of social housing	1,049,613	3,228	1,052,841	1,033,319
<b>Operating Expenditure for Social Letting Activities</b>	<b>3,105,386</b>	<b>10,741</b>	<b>3,116,127</b>	<b>2,984,039</b>
<b>Operating Surplus for Social Lettings 2017</b>	<b>1,340,157</b>	<b>(335)</b>	<b>1,339,822</b>	
<b>Operating Surplus for Social Lettings 2016</b>	<b>1,314,456</b>	<b>704</b>	<b>1,315,160</b>	<b>1,315,160</b>

There is no other accommodation except for general needs and shared ownership housing.

The amount of service charges receivable on housing accommodation not eligible for Housing Benefit was £nil, (2016: £nil).

Included in depreciation of social housing is £29,269 (2016: £41,270) relating to the loss on disposal of components.

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

5a. Particulars of turnover, operating expenditure and operating surplus from social lettings

Association	General Needs Housing £	Shared Ownership £	2017 £	2016 £
<b>Social Lettings</b>				
Rent receivable net of identifiable service charges	3,862,906	8,603	3,871,509	3,798,380
Service charges receivable	12,274	1,803	14,077	13,873
<b>Gross Income from Rents and Service Charges</b>	<b>3,875,180</b>	<b>10,406</b>	<b>3,885,586</b>	<b>3,812,253</b>
Less: Rent losses from voids	(4,895)	-	(4,895)	(5,900)
Release of deferred Government capital grants	575,258	-	575,258	492,846
<b>Total Turnover from Social Letting Activities</b>	<b>4,445,543</b>	<b>10,406</b>	<b>4,455,949</b>	<b>4,299,199</b>
<b>Operating Expenditure</b>				
Management & maintenance administration costs	1,258,359	4,293	1,262,652	1,054,353
Service costs	33,081	-	33,081	32,381
Planned and cyclical maintenance including major repairs	318,934	1,026	319,960	377,425
Reactive maintenance	599,428	2,194	601,622	514,353
Bad debts – rent and service charges	20,027	-	20,027	17,588
Depreciation of social housing	1,049,609	3,228	1,052,837	1,033,319
<b>Operating Expenditure for Social Letting Activities</b>	<b>3,279,438</b>	<b>10,741</b>	<b>3,290,179</b>	<b>3,029,419</b>
<b>Operating Surplus for Social Lettings 2017</b>	<b>1,166,105</b>	<b>(335)</b>	<b>1,165,770</b>	
<b>Operating Surplus for Social Lettings 2016</b>	<b>1,269,076</b>	<b>704</b>	<b>1,269,780</b>	<b>1,269,780</b>

There is no other accommodation except for general needs and shared ownership housing.

The amount of service charges receivable on housing accommodation not eligible for Housing Benefit was £nil, (2016: £nil).

Included in depreciation of social housing is £29,269 (2016: £41,270) relating to the loss on disposal of components.

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

5b – Particulars of turnover, operating expenditure and operating surplus or deficit from other activities

Group	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other Income £	Total Turnover £	Operating expenditure – bad debts £	Other operating expenditure £	Operating surplus / (deficit) 2017 £	Operating surplus / (deficit) 2016 £
Wider role activities	22,000	191,998	-	777	214,775	-	368,285	(153,510)	(83,532)
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	53,975	53,975	(4,016)	61,307	(3,316)	13,253
Development and construction of property activities	9,198	9,960	-	-	19,158	-	9,254	9,904	(30,909)
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for other RSLs	-	-	-	-	-	-	-	-	-
Agency/management services	-	-	-	2,964	2,964	-	73,074	(70,110)	(61,366)
Developments for sale to RSLs	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to RSLs	-	-	-	-	-	-	-	-	-
<b>Total from other activities 2017</b>	<b>31,198</b>	<b>201,958</b>	<b>-</b>	<b>57,716</b>	<b>290,872</b>	<b>(4,016)</b>	<b>511,920</b>	<b>(217,032)</b>	<b>(162,554)</b>
<b>Total from other activities 2016</b>	<b>53,609</b>	<b>195,470</b>	<b>-</b>	<b>80,630</b>	<b>329,709</b>	<b>13,413</b>	<b>478,850</b>	<b>(162,554)</b>	

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

5b – Particulars of turnover, operating expenditure and operating surplus or deficit from other activities

Association	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other Income £	Total Turnover £	Operating expenditure – bad debts £	Other operating expenditure £	Operating surplus / (deficit) 2017 £	Operating surplus / (deficit) 2016 £
Wider role activities	22,000	191,998	-	777	214,775	-	368,285	(153,510)	(83,532)
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	53,975	53,975	(4,016)	61,307	(3,316)	13,253
Development and construction of property activities	9,198	9,960	-	-	19,158	-	9,254	9,904	(30,909)
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for other RSLs	-	-	-	-	-	-	-	-	-
Agency/management services	-	-	-	18,528	18,528	-	73,074	(54,546)	(53,619)
Developments for sale to RSLs	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to RSLs	-	-	-	-	-	-	-	-	-
<b>Total from other activities 2017</b>	<b>31,198</b>	<b>201,958</b>	<b>-</b>	<b>73,280</b>	<b>306,436</b>	<b>(4,016)</b>	<b>511,920</b>	<b>(201,468)</b>	<b>(154,807)</b>
<b>Total from other activities 2016</b>	<b>53,609</b>	<b>195,470</b>	<b>-</b>	<b>95,815</b>	<b>344,894</b>	<b>13,413</b>	<b>486,288</b>	<b>(154,807)</b>	

**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**6. Directors' emoluments – Group and Association**

The Directors are defined as the members of the Board of Management, the Chief Executive and any other person reporting directly to the Chief Executive or the Board of Management. No emoluments were paid to any member of the Board of Management during the year.

The Association considers key management personnel to be the Board of Management and senior management team, consisting of the Chief Executive, Director of Finance and Director of Operations.

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Emoluments of Chief Executive (excluding pension contributions)	<u>82,274</u>	<u>80,267</u>

The Chief Executive is an ordinary member of the Association's pension scheme described in Note 23. No enhanced or special terms apply to membership and he has no other pension arrangements to which the Association contributes. The Association's contributions for the Chief Executive in the year amounted to £44,442 (2016 - £43,086), which includes a proportion of the deficit contribution payment made to the scheme in the year (Note 23).

	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Emoluments of key management personnel (excluding pension contributions)	<u>213,133</u>	<u>206,458</u>
Aggregate pensions payable to key management personnel (including past service deficit contributions)	<u>92,900</u>	<u>89,613</u>
	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
Total expenses reimbursed insofar as not chargeable to UK income tax	<u>-</u>	<u>-</u>

No (2016: no) other staff had emoluments (excluding pension contributions) that exceeded £60,000.

	<b>2017</b> <b>Number</b>	<b>2016</b> <b>Number</b>
Total Emoluments		
£80,001 - £90,000	1	1
£70,001 - £80,000	-	-
£60,001 - £70,000	2	2

**7. Employee information**

**Group**

	<b>2017</b> <b>Number</b>	<b>2016</b> <b>Number</b>
The average full time equivalent number of persons employed by the Group was as follows:		
Administration and maintenance (Association)	27.3	26.0
Nursery staff	<u>16.2</u>	<u>12.6</u>
	<u>43.5</u>	<u>38.6</u>



**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**7. Employee information (continued)**

<b>Group</b>	<b>2017 £</b>	<b>2016 £</b>
Staff costs were:		
Wages and Salaries	1,083,418	966,629
Social Security Costs	92,328	73,714
Pension Costs	127,462	94,440
Pension Charge (note 24)	-	10,000
	<u>1,303,208</u>	<u>1,144,783</u>

<b>Association</b>	<b>2017 Number</b>	<b>2016 Number</b>
The average number of full time equivalent employees during the year was:		
Administration and maintenance	<u>27.3</u>	<u>26.0</u>

	<b>2017 £</b>	<b>2016 £</b>
Staff costs were:		
Wages and Salaries	881,885	807,913
Social Security Costs	87,149	68,209
Pension Contributions	127,462	94,440
Pension Charge (note 24)	-	10,000
	<u>1,096,496</u>	<u>980,562</u>

The SHAPS past service deficit liability is subject to remeasurement each financial year.

	<b>2017 £</b>	<b>2016 £</b>
Remeasurement – impact of any change in assumptions (note 24)	<u>19,986</u>	<u>(6,110)</u>

This is included in management and administration costs.

During the year past service deficit contributions of £135,354 (2016: £128,196) were paid. Of this payment, £124,986 (2016: £121,000) was a payment in respect of the SHAPS past service deficit liability, and £6,199 in respect of AVC scheme past service deficits. The remainder of £4,169 (2016: £7,196) was pension management costs which have been included in the pension contributions total included in staff costs above.

The unwinding of the discount has been charged to finance costs in the Statement of Comprehensive Income. This finance cost was £32,000 (2016: £33,000) in the year.

**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**8. Operating surplus**

**Group**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Operating surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	1,058,636	1,062,737
Depreciation – Loss on disposal of components	29,269	41,270
Auditor's Remuneration - Audit Services (inc VAT)	14,230	11,099
- Other Services (inc VAT)	5,450	4,644
	<u>1,107,585</u>	<u>1,123,750</u>

**Association**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Operating surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	1,047,389	1,051,804
Auditor's Remuneration - Audit Services (inc VAT)	8,580	7,225
- Other Services (inc VAT)	3,100	4,384
	<u>1,059,069</u>	<u>1,113,413</u>

**9. Gain / (loss) on sale of property, plant and equipment**

**Group and Association**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Proceeds on sale of property and other fixed assets	143,905	44,477
Net Book Value of assets at time of sale	(132,590)	(63,783)
	<u>11,315</u>	<u>(19,306)</u>

**10. Interest payable**

**Group**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	278,194	296,531
SHAPS deficit repayment plan – interest expense (Note 23)	32,000	33,000
Strathclyde Pension Fund – finance cost (Note 24)	7,000	13,000
	<u>317,194</u>	<u>342,531</u>

**Association**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	277,364	294,707
SHAPS deficit repayment plan – interest expense (Note 23)	32,000	33,000
Strathclyde Pension Fund – finance cost (Note 24)	7,000	13,000
	<u>316,364</u>	<u>340,707</u>

**11. Taxation**

The Association was granted charitable status with effect from 18 May 2004 and no tax now arises on its charitable activities. No corporation tax is due on the Association's other activities due to the loss incurred (2016: £nil). Both subsidiaries are charities and thus no tax is due in respect of their activities (2016: £nil).

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

12. Tangible fixed assets

a) Housing Properties Group and Association	Housing Properties Held for Letting £	Housing Properties Under Construction £	Completed Shared Ownership Properties £	Total £
<b>Cost</b>				
At 1 April 2016	44,125,381	188,410	207,136	44,520,927
Additions during year				
Property	-	58,798	-	58,798
Components	984,595	-	-	984,595
Disposals during year				
Property	(185,310)	-	-	(185,310)
Components	(226,641)	-	-	(226,641)
At 31 March 2017	<u>44,698,025</u>	<u>247,208</u>	<u>207,136</u>	<u>45,152,369</u>
<b>Depreciation</b>				
At 1 April 2016	13,321,831	-	44,651	13,366,482
Charge for year	1,020,344	-	3,228	1,023,572
On disposals during year				
Property	(52,720)	-	-	(52,720)
Components	(197,372)	-	-	(197,372)
At 31 March 2017	<u>14,092,083</u>	<u>-</u>	<u>47,879</u>	<u>14,139,962</u>
<b>Net Book Value</b>				
As at 31 March 2017	<u>30,605,942</u>	<u>247,208</u>	<u>159,257</u>	<u>31,012,407</u>
As at 31 March 2016	<u>30,803,550</u>	<u>188,410</u>	<u>162,485</u>	<u>31,154,445</u>

Additions to housing properties during the year includes no capitalised interest (2016: £nil) and no capitalised administration costs (2016: £nil). All housing properties are freehold.

The Association would not be able to sell its properties without the repayment of Government Capital Grants

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

12. Tangible fixed assets

(b) Other Fixed Assets

Group	Freehold Property £	I.T. Equipment £	Furniture £	Fixtures & Fittings £	Vehicles £	Total £
<b>Cost</b>						
At 1 April 2016	470,000	178,129	35,870	136,245	37,935	858,179
Additions	-	1,086	-	-	-	1,086
Disposals	-	-	-	-	-	-
At 31 March 2017	470,000	179,215	35,870	136,245	37,935	859,265
<b>Depreciation</b>						
At 1 April 2016	18,800	123,716	33,343	127,585	15,904	319,348
Charge for year	9,400	17,223	1,015	2,193	5,233	35,064
Removed on disposal	-	-	-	-	-	-
At 31 March 2017	28,200	140,939	34,358	129,778	21,137	354,412
<b>Net Book Values</b>						
At 31 March 2017	441,800	38,276	1,512	6,467	16,798	504,853
At 31 March 2016	451,200	54,413	2,527	8,660	22,031	538,831

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

12. Tangible fixed assets (continued)

b) Other Fixed Assets

Association	I.T. Equipment £	Furniture £	Fixtures & Fittings £	Vehicles £	Total £
<b>Cost</b>					
At 1 April 2016	174,895	34,471	127,049	37,935	374,350
Additions	1,086	-	-	-	1,086
Disposals	-	-	-	-	-
At 31 March 2017	<u>175,981</u>	<u>34,471</u>	<u>127,049</u>	<u>37,935</u>	<u>375,436</u>
<b>Depreciation</b>					
At 1 April 2016	123,015	32,690	122,639	15,904	294,248
Charge for year	16,576	735	1,273	5,233	23,817
Disposals	-	-	-	-	-
At 31 March 2017	<u>139,591</u>	<u>33,425</u>	<u>123,912</u>	<u>21,137</u>	<u>318,065</u>
<b>Net Book Value</b>					
At 31 March 2017	<u>36,390</u>	<u>1,046</u>	<u>3,137</u>	<u>16,798</u>	<u>57,371</u>
At 31 March 2016	<u>51,880</u>	<u>1,781</u>	<u>4,410</u>	<u>22,031</u>	<u>80,102</u>

**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**13. Housing stock**

**Group and Association**

Number of units of accommodation in management at the year end:

	<b>2017 Number</b>	<b>2016 Number</b>
General Needs - New Build	206	207
- Rehabilitation	776	781
Shared Ownership	4	4
Supported	40	40
	<u>1,026</u>	<u>1,032</u>

**14. Investments**

**Association**

	<b>2017 £</b>	<b>2016 £</b>
At 1 April	67,296	74,734
Impairment	-	(7,438)
At 31 March	<u>67,296</u>	<u>67,296</u>

**15a. Debtors - Amounts receivable after more than one year**

**Association**

	<b>2017 £</b>	<b>2016 £</b>
Rent paid in advance to subsidiary	-	132,884
Loan to subsidiary undertaking	90,000	100,000
	<u>90,000</u>	<u>232,884</u>

**15b. Debtors - Amounts receivable within one year**

**Group**

	<b>2017 £</b>	<b>2016 £</b>
Arrears of rent and service charges	90,000	84,757
Trade debtors	4,530	15,338
Less: bad debt provision	(26,962)	(19,588)
	<u>67,568</u>	<u>80,507</u>
Prepayments	18,319	12,126
Other debtors	53,804	145,260
	<u>139,691</u>	<u>237,893</u>

**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**15b. Debtors - Amounts receivable within one year (continued)**

<b>Association</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Arrears of rent and service charges	90,000	84,757
Less: bad debt provision	<u>(25,277)</u>	<u>(12,700)</u>
	64,723	72,057
Prepayments	18,319	12,126
Rent paid in advance to subsidiary undertaking	-	12,373
Other debtors	53,804	145,260
Loan to subsidiary undertaking	<u>10,000</u>	<u>-</u>
	<u>146,846</u>	<u>241,816</u>

**16a. Current asset investments – Group and Association**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Restricted deposits	<u>3,600,000</u>	<u>2,800,000</u>

**16b. Cash and cash equivalents**

<b>Group</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Balances with banks	903,063	1,128,610
Deposits with banks (up to 30 days' notice)	<u>4,840</u>	<u>6,268</u>
	<u>907,903</u>	<u>1,134,878</u>

**Association**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Balances with banks	816,042	1,055,742
Deposits with banks (up to 30 days' notice)	<u>4,840</u>	<u>6,268</u>
	<u>820,882</u>	<u>1,062,010</u>

**17. Creditors - Amounts falling due within one year**

<b>Group</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank loans (note 18)	319,090	320,452
Trade creditors	71,025	82,888
Other taxation and social security	25,822	22,249
Accruals and deferred income	248,259	40,317
Rent in advance	175,241	185,141
Deferred capital grant (note 20)	505,128	502,995
SHAPs past service deficit repayment plan (note 23)	127,579	123,697
Other creditors	<u>4,777</u>	<u>4,083</u>
	<u>1,476,921</u>	<u>1,281,822</u>

**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**17. Creditors - Amounts falling due within one year (continued)**

<b>Association</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank loans (note 18)	319,090	320,452
Trade creditors	66,046	80,068
Other taxation and social security	23,147	21,176
Accruals and deferred income	232,119	23,692
Rent in advance	175,241	185,141
Deferred capital grant (note 20)	505,128	502,995
SHAPS past service deficit repayment plan (note 23)	127,579	123,697
Other creditors	4,777	4,083
	<u>1,453,127</u>	<u>1,261,304</u>

Pension contributions of £124 were outstanding at the year end (2016: £nil).

**18. Creditors - Amounts falling due after more than one year**

<b>Group and Association</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank loans	7,135,343	7,468,166
Deferred capital grants (note 20)	20,449,974	20,787,482
SHAPS past service deficit repayment plan (note 23)	523,421	600,303
	<u>28,108,738</u>	<u>28,855,951</u>

Bank loans are secured by specific charges on the Housing Association's housing properties and are repayable at rates of interest of 0.8% to 6.4% (2016: 1.0% to 6.4%) in instalments, due as follows:-

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Within one year (note 17)	319,090	320,452
Between one and two years	334,841	331,201
Between two and five years	1,050,060	1,063,473
In five years or more	5,750,442	6,073,492
	<u>7,454,433</u>	<u>7,788,618</u>
<b>Less:</b> Amount shown in current liabilities	<u>(319,090)</u>	<u>(320,452)</u>
	<u>7,135,343</u>	<u>7,468,166</u>



CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

19. Financial instruments

Group	2017 £	2016 £
<b>Financial Assets</b>		
Cash and cash equivalents	907,903	1,134,878
Current asset investments	3,600,000	2,800,000
Financial assets measured at amortised cost	<u>121,372</u>	<u>225,767</u>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	<u>8,429,494</u>	<u>8,639,906</u>

Financial assets measured at amortised cost comprised rental arrears, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprised bank loans, trade creditors, accruals, the SHAPs past service deficit repayment plan and other creditors.

No financial assets or financial liabilities are held at fair value.

Association	2017 £	2016 £
<b>Financial Assets</b>		
Cash and cash equivalents	820,882	1,062,010
Current asset investments	3,600,000	2,800,000
Financial assets measured at amortised cost	<u>218,527</u>	<u>317,317</u>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	<u>8,408,375</u>	<u>8,620,461</u>

Financial assets measured at amortised cost comprised rental arrears, loan to subsidiary undertakings and other debtors.

Financial liabilities measured at amortised cost comprised bank loans, trade creditors, accruals, the SHAPS deficit repayment plan and other creditors.

No financial assets or financial liabilities are held at fair value.

20. Deferred capital grants – Group and Association

	2017 £	2016 £
Deferred capital grants at 1 April	21,290,477	21,717,757
Grants received in year	239,883	65,566
Released to income in year	(575,258)	(492,846)
Deferred capital grants at 31 March	<u>20,955,102</u>	<u>21,290,477</u>
Liability split as:		
< 1 year	505,128	502,995
1 – 2 years	505,128	502,995
2 – 5 years	1,515,384	1,508,985
> 5 years	<u>18,429,462</u>	<u>18,775,502</u>
	<u>20,955,102</u>	<u>21,290,477</u>

**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

<b>21. Share Capital</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Shares of £1 each fully paid and issued as at 1 April	343	333
Shares issued in year	36	26
Shares cancelled in year	<u>(102)</u>	<u>(16)</u>
As at 31 March 2017	<u>277</u>	<u>343</u>

**Reserves**

**Revenue Reserve**

The revenue reserve includes all current and prior year retained surpluses or deficits and transfers to / from the pension and restricted reserves.

**Pension Reserve**

The pension reserve includes funds required to meet the deficit in the Strathclyde Pension Scheme.

**Restricted Reserve**

Funds received to support the Community Resilience Fund (Home Start).

**22. Net Cash Flow from Operating Activities - Group**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Surplus for the year	843,987	771,016
<u>Adjustments for non cash items:</u>		
Carrying amount of tangible fixed asset disposals	132,590	63,783
Depreciation of tangible fixed assets (including loss on disposal of components)	1,087,905	1,062,737
SHAPS past service deficit liability	51,986	26,890
Strathclyde Pension Scheme pension liability	7,000	23,000
Decrease/(increase) in debtors	98,202	(33,432)
Increase in current asset investments	(800,000)	(100,000)
Increase/(decrease) in creditors	190,446	(30,647)
Shares cancelled in the year	(102)	(16)
<u>Adjustments for investing and financing activities:</u>		
Proceeds from sale of tangible fixed assets	(143,905)	(44,477)
Interest payable	278,194	296,531
Interest received	(39,352)	(33,919)
Release of deferred Government capital grant	(575,258)	(492,846)
SHAPS past service deficit payment	<u>(124,986)</u>	<u>(121,000)</u>
<b>Net cash generated from operating activities</b>	<u>1,006,707</u>	<u>1,387,620</u>

## CASSILTOUN HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2017

#### 23. Scottish Housing Association Pension Scheme

##### General

Cassiltoun Housing Association Limited participates in the Scottish Housing Association Pension Scheme (the "Scheme") which is funded.

The Scheme is a multi-employer defined benefit scheme. The Scheme offers six benefit structures to employers, namely:

- Final Salary with a 1/60th accrual rate.
- Career average revalued earnings with a 1/60th accrual rate.
- Career average revalued earnings with a 1/70th accrual rate.
- Career average revalued earnings with a 1/80th accrual rate.
- Career average revalued earnings with a 1/120th accrual rate contracted in.
- Defined contributions (DC) option.

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. The DC option can be introduced by the employer on the first day of any month after giving a minimum of three months' prior notice.

Cassiltoun Housing Association Limited has elected to continue to offer the final salary with a 1/60th accrual rate benefit structure for existing members as at 1 April 2016 and also offer a Defined Contribution scheme to new employees. During the accounting period the Housing Association effectively paid contributions at the rate of 12.3% (excluding the past service deficit) of pensionable salaries in respect of the defined benefit structure. Member contributions were 12.3%. There was an additional annual employer past service deficit contribution of £124,986 made in the year ended 31 March 2017 (2016 - £121,000). The past service deficit contribution for 2017/18 is £128,196. The contributions under the Defined Contribution Scheme were 6% for the employer and 4% for the employee.

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

##### General

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

As at the balance sheet date there were 7 active members of the Defined Benefit Scheme and 14 active members of the Defined Contributions Scheme employed by the Association.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers as the scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience.

Thus the scheme is accounted for as a defined contribution scheme. However the Association has entered into a past service deficit repayment agreement with the Pension Trust and per FRS 102, this discounted past service deficit liability has been recognised in the Statement of Financial Position.

The last formal valuation of the Scheme was performed as at 30 September 2015 by a professionally qualified actuary using the "projected unit credit" method. The market value of the Scheme's assets at the valuation date was £616 million. The valuation revealed a shortfall of assets compared to liabilities of £198 million, equivalent to a past service funding level of 75.6%.

**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**23. Scottish Housing Association Pension Scheme (continued)**

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

The Trustees have recently supplied Cassiltoun Housing Association Limited with an estimated updated contribution figure to the past service deficit. From 1 April 2017, Cassiltoun Housing Association Limited is required to pay £128,196 (net of administration costs) per annum as a contribution to the past service deficit. This increased by 3% per year. The deficit is now expected to be removed from the Scheme by 28 February 2022 (previously 30 September 2027). The past service deficit liability recognised in the financial statements is based on the revised estimated contribution schedule provided to the Association on 3 March 2016 by the Pensions Trust.

**Past service deficit discounted repayment liability**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Provision at start of period	724,000	818,110
Unwinding of the discount factor (interest expense)	32,000	33,000
Deficit contribution paid	(124,986)	(121,000)
Remeasurements – impact of any changes in assumptions	19,986	(6,110)
	<hr/>	<hr/>
Provision at end of period	651,000	724,000

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Liability split as:		
< 1 year	127,579	123,697
1-2 years	130,028	120,442
2-5 years	393,393	366,366
> 5 years	-	113,495
	<hr/>	<hr/>
	651,000	724,000

**Statement of Comprehensive Income Impact**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Interest expense	32,000	33,000
Remeasurements – impact of any change in assumptions	19,986	(6,110)
	<hr/>	<hr/>
	51,986	26,890

	<b>2017</b>	<b>2016</b>
Assumptions		
Rate of discount	1.06%	2.29%

The discount rates shown above are the equivalent single discount rates, which when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate band yield curve to discount the same recovery plan contributions.

## CASSILTOUN HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2017

#### 23. Scottish Housing Association Pension Scheme (continued)

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

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

The Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2016 is £4,983,200 (2016: £3,984,797).

#### 24. Strathclyde Pension Scheme

Cassiltoun Housing Association Limited participates in the Strathclyde Pension Fund which is a statutory multi-employer defined benefit scheme. It is administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998, as amended.

From 1 April 2015, the Scheme changed from a final salary 1/60th accrual scheme to a CARE 1/45th accrual scheme.

An updated valuation of the Strathclyde Pension Fund was performed as at 31 March 2017.

The main financial assumptions used by the Council's Actuary, Hymans Robertson, in their calculations are as follows:

<b>Assumptions as at</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
Pension increases	2.4%	2.2%
Salary increases	4.4%	4.2%
Discount rate	2.7%	3.6%

The average future life expectancies at age 65 are summarised below:

<b>Mortality</b>	<b>Males</b>	<b>Females</b>
Current Pensioners	22.1 years	23.6 years
Future Pensioners	24.8 years	26.2 years

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**24. Strathclyde Pension Scheme (continued)**

<b>Sensitivity Analysis</b>	<b>Approximate % increase to Employer Liability</b>	<b>Approximate Monetary amount (£000)</b>
0.5% decrease in Real Discount Rate	16%	304
0.5% increase in the Salary Increase Rate	9%	173
0.5% increase in the Pension Increase Rate	6%	118

The table below compares the present value of the scheme liabilities, based on the Actuary's assumptions, with the estimated employer assets.

<b>Net Pension Liability as at</b>	<b>31 March 2017 £ 000</b>	<b>31 March 2016 £ 000</b>
Estimated Employer Assets (A)	1,355	1,068
Present Value of Scheme Liabilities	1,874	1,267
Present Value of Unfunded Liabilities	-	-
Total Value of Liabilities (B)	<u>1,874</u>	<u>1,267</u>
Net Pension Liability (A) – (B)	<u>(519)</u>	<u>(199)</u>

Analysis of the amount charged to operating profit:

	<b>Year to 31 March 2017 £ 000</b>	<b>Year to 31 March 2016 £ 000</b>
Service cost	29	43
Contributions	(29)	(33)
Past service cost	-	-
Curtailment and settlements	-	-
Decrease in irrecoverable surplus	-	-
Total operating charge	<u>-</u>	<u>10</u>
Net Interest cost / (income)	<u>7</u>	<u>13</u>

## CASSILTOUN HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2017

#### 24. Strathclyde Pension Scheme (continued)

	Year to 31 March 2017 £ 000	Year to 31 March 2016 £ 000
Analysis of the amount recognised in the Statement of Other Comprehensive Income:		
Actuarial (loss)/gain recognised as other comprehensive income	<u>(313)</u>	<u>217</u>
Movement in pension deficit during the year		
	Year to 31 March 2017 £ 000	Year to 31 March 2016 £ 000
Deficit in scheme at beginning of year	(199)	(393)
Current service cost	29	(43)
Employer contributions	(29)	33
Other income	-	-
Other outgoings (e.g. expenses, etc.)	-	-
Past service costs	-	-
Impact of settlements and curtailments	-	-
Net interest cost	(7)	(13)
Actuarial (loss)/gain	<u>(313)</u>	<u>217</u>
Deficit at end of year	<u>(519)</u>	<u>(199)</u>

Employer contributions for the year ended 31 March 2018 are expected to be £29,000.

#### 25. Related party transactions

##### Board members

The Association has members of the Board of Management who are also tenants. The total rent charged in the year relating to Board of Management members who are tenants is £35,571 (2016: £34,962). The total rent arrears relating to Board of Management members who are tenants included within debtors at the year-end is £nil (2016: £ nil). The total prepaid rent relating to Board of Management members who are tenants included within creditors at the year-end is £2,324 (2016: £2,248).

##### Cassiltoun Trust

The Housing Association has two subsidiaries: Cassiltoun Stables Nursery Limited and Cassiltoun Trust.

The Housing Association is the sole member of Cassiltoun Trust, a charitable company limited by guarantee. Three members of the Housing Association are Directors of the Trust.

During the year management fees totalling £8,856 (2016: £8,640) were charged from the Housing Association to Cassiltoun Trust.

## CASSILTOUN HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2017

#### 25. Related party transactions (continued)

##### **Cassiltoun Trust (continued)**

Advanced rental payments of £353,000 were made to Cassiltoun Trust by the Association in June 2007 in respect of a 25 year lease. In prior years this was treated as rents paid in advance and was accountable for under the effective interest rate method. The release in the year was £14,120 (2016:£14,120). At the year end, the Association released rent in advance of £132,844 to the Statement of Comprehensive Income due to a new agreement being signed prior to the year end. As a result, £nil (2016: £12,373) is included in debtors falling due within one year with £nil (2016: £132,884) is included in debtors falling due after more than one year.

Additional office space was rented during the year from Cassiltoun Trust totalling £27,048 (2016: £26,260). The Association also contributed £nil (2016: £5,000) to heating costs.

No amounts are due to/from Cassiltoun Trust (2015: £nil).

In the year ended 31 March 2017 Cassiltoun Trust made a surplus of £120,041 (2016: £67) and had net assets of £475,475 (2016: £355,434).

##### **Cassiltoun Stables Nursery Limited**

Cassiltoun Stables Nursery Limited is a company limited by guarantee and was formed in July 2012. Its sole member is Cassiltoun Housing Association Limited. Three members of the Housing Association are Directors of the Nursery.

In October 2012 the Housing Association made available a loan of £100,000 to Cassiltoun Stables Nursery Limited at normal commercial rates. Interest of £4,353 (2016: £4,500) is charged on the loan being at the rate of Bank of England base + 4%. The loan is repayable over 10 years once the Nursery trades profitably without grant funding from the Association, so there is no set payment amounts or dates. A repayment of £10,000 is expected in the next financial year and thus the loan is treated as a debtor falling due after more than one year. At the year-end £10,000 (2016: £nil) was due less than 1 year and £90,000 (2016: £100,000) was due greater than 1 year to the Housing Association in respect of this loan.

No amounts are due to/from Cassiltoun Stables Nursery Limited outwith the loan noted above (2016: £nil).

Management fees totalling £6,708 (2016: £6,545) were charged by the Housing Association to the Stables Nursery.

In the year ended 31 March 2017 Cassiltoun Stables Nursery Limited made a surplus of £19,241 (2016: £29,868 loss) and had net liabilities of £61,921 (2016: £81,162).

#### 26. Contingent liabilities

Capital Government Grants allocated to components are amortised over the useful life of the structure and recognised in the Statement of Comprehensive Income along with any Government Grant relating to a unit disposed in the year. In the event the Association sells a housing unit it may be liable to pay back to the Scottish Government any Capital Government Grant receivable in the construction of the housing units. The recycled grant included in the release of deferred Capital Grants in note 5a was £71,403 (2016: £48,086).

There is also a contingent liability in relation to the Scottish Housing Association Pension Scheme and this has been fully detailed in Note 24.



**CASSILTOUN HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**27. Revenue commitments**

At 31 March future minimum lease payments under non-cancellable operating leases were as follows:

<b>Group</b>	<b>Office space 2017 £</b>	<b>Office equipment 2017 £</b>	<b>Office space 2016 £</b>	<b>Office equipment 2016 £</b>
Operating leases payable:				
Not later than one year	-	4,360	-	4,360
Later than one year and not later than five years	-	1,090	-	5,450
	<u>-</u>	<u>5,450</u>	<u>-</u>	<u>9,810</u>
<b>Association</b>	<b>Office space 2017 £</b>	<b>Office equipment 2017 £</b>	<b>Office space 2016 £</b>	<b>Office equipment 2016 £</b>
Operating leases payable:				
Not later than one year	19,816	4,360	27,050	4,360
Later than one year and not later than five years	-	1,090	-	5,450
	<u>19,816</u>	<u>5,450</u>	<u>27,050</u>	<u>9,810</u>

The office space revenue commitment is in respect of four rooms leased from Cassiltoun Trust.

**28. Capital Commitments – Group and Association**

	<b>2017 £</b>	<b>2016 £</b>
Contracted for but not provided in these accounts	871,800	859,625
This is to be funded by:		
HAG	-	-
Private Finance	-	-
Reserves	871,800	859,625
	<u>871,800</u>	<u>859,625</u>
Approved by the Board of Management but not contracted for	<u>-</u>	<u>-</u>