

**CLYDE VALLEY HOUSING ASSOCIATION LIMITED**

**GROUP REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2024**

## **Clyde Valley Housing Association Limited**

### **Group Report and Financial Statements For the year ended 31 March 2024**

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#### **Contents**

	<b>Page</b>
Board, Executives and Advisers	3
Group Report of the Board	5
Statement of Board's Responsibilities	21
Board's Statement of Internal Financial Control	22
Independent Auditor's Report on Corporate Governance Matters	23
Independent Auditor's Report	25
Statement of Comprehensive Income	28
Statement of Financial Position	30
Statement of Changes in Reserves	32
Statement of Cashflows	34
Accounting Policies	36
Notes to the Financial Statements	44

#### **Registration Particulars:**

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered Number SP2489RS
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered Number 291
Scottish Registered Charity	Number SC037244

## **Clyde Valley Housing Association Limited**

### **Board, Executives and Advisers For the year ended 31 March 2024**

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#### **Members of Board**

The Members of the Board of the Association during the year to 31 March 2024, and up to the date of signing of these financial statements were as follows:

1. Andrew McFarlane Chair
2. Campbell Boyd
3. Marie Gilfillan (resigned 18/09/23)
4. Eleanor Walker
5. Shannon Watson
6. Lorna Wilson (resigned 18/09/23)
7. Kenneth Gibb
8. Lindsay MacDonald (resigned 31/08/23)
9. Stuart Dodson (appointed 18/09/23)
10. Alan Newlands
11. Neil McKay (appointed 18/09/23)
12. William Quinn (appointed 18/09/23)

#### **Registered Office**

50 Scott Street  
Motherwell  
ML1 1PN

#### **Auditor**

RSM UK Audit LLP  
Chartered Accountants  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

#### **Internal Auditor**

TIAA  
West Regent Street  
Glasgow  
G2 2RQ

#### **Bankers**

Barclays Bank plc  
Glasgow Campus  
1-4 Clyde Place Lane  
Glasgow  
G5 8DP

#### **Solicitors**

Harper MacLeod  
The Ca'd'oro  
45 Gordon Street  
Glasgow  
G1 3PE

TC Young  
7 West George Street  
Glasgow  
G2 1BA

## **Clyde Valley Housing Association Limited**

### **Board, Executives and Advisers For the year ended 31 March 2024**

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#### **Executive Team**

The Executive Team of the Association during the year to 31 March 2024, and up to the date of signing these financial statements were as follows:

Carron Garmory	Chief Executive Officer
Fin Smith	Customer Services Director
Lisa Beresford	People Director
Lindsay Forrest	Property & Development Director (resigned 06/10/23)
Laura Steven	Interim Director of Finance and Corporate Services (end of contract 29/03/24)
Natalya Macholla	Finance and Corporate Services Director (appointed 26/02/24)
Robert Pollock	Interim Director of Investment and Property Services (appointed 15/10/23)

#### **Committee Membership 2024**

##### **Audit Committee**

Eleanor Walker  
Campbell Boyd  
Shannon Watson  
Ken Gibb

## **Clyde Valley Housing Association Limited**

### **Group Report of the Board For the year ended 31 March 2024**

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The Board presents their report and audited financial statements for the year ended 31 March 2024.

#### **Chairman's Report**

As we reflect over the last four years of our Corporate Strategy, I am immensely proud of the progress the Group has made in bringing forward real tangible improvements to the way we deliver services for our residents, and I would like to thank the teams across the business and my Board colleagues for their contribution and support on this.

Ours is a sector that has experienced multiple changes in our operating environment over this time, bringing new priorities and hard choices to make. The financial pressures we and other housing providers are currently facing, the cost-of-living crisis and housing emergency that we hear of daily are all things that our sector and our customers are too aware. However, our performance over 2023/24 demonstrates the Group's resilience and our ability to support our customers and the wider sector in what will be challenging times ahead.

Despite the challenges, our passion and commitment for the communities in which we work is more evident than ever, along with our clear value of being 'all about customer'. At the root of this are our people who provide exceptional services and a solid platform which enables us to continually develop and evolve. I was delighted this year to see the Group awarded the Investors in People Gold and Silver Wellbeing accreditations at our first attempt, thus demonstrating that the impact of the investment in our people and culture is having a positive effect.

We were also delighted this year to see our leaders develop their careers with Carron Garmory appointed to Group Chief Executive. Carron's leadership is inspirational, and she will lead from the front in the transformation of our culture and values, the way we work and support each other and how we deliver on our customer promises and commitments. I am also pleased to see a continuing trend of talented individuals joining the Group at all levels and developing their careers.

We are clear as a Board that Housing Associations exist to deliver over the long term, as well as responding to immediate need. We are working hard on our asset management plan that will raise the standards of our homes over the coming decades through understanding the condition of our properties, investing to upgrade to higher safety and sustainability levels and creating a high-performance culture throughout, supported by investment in our people and our technology.

In the year we also recognised the need to invest in our repairs service to improve on our overall customer satisfaction. Significant steps have been taken to review our service offering in full and to demonstrate value for money to our customers. I am confident that the changes will be positive, and we look forward to seeing the tangible benefits as we move forward.

As we enter the final year of our ambitious five-year Corporate Strategy, the Board and Executive Team have reviewed our progress together with the challenges and risks that currently face the Group and the wider housing sector in Scotland and across the UK. We continue to revisit our purpose, strategic direction and the values that drive us. We have continued to take time to understand and support our customers in managing the current cost of living crisis and we have targeted our resources to those who need it most with our customer success and income maximisation teams continuing to be very active in our communities.

Our open governance values have helped bring all issues quickly onto the table, and I am grateful to our Executive Team and Board for the quality and professionalism of our scrutiny at board, Audit committee, and executive levels. We are also increasingly engaged in collaboration initiatives across the social housing sector, which I believe will produce positive results in the future for all involved.

## **Clyde Valley Housing Association Limited**

### **Group Report of the Board For the year ended 31 March 2024**

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As we enter this final year of our Corporate Strategy we will take the opportunity to refresh our approach, consult our staff and customers, review our capital investment programme on the back of our most recent Stock Condition survey and take the opportunity to refresh our financial plans, based on a strong and resilient platform that we have worked hard to achieve and which is evident within these financial results. Importantly, the Board remains committed and focused on delivering value for money and we couldn't be clearer on the future task that lies ahead – we need to listen to our customers, provide exceptional services in the areas that matter most to our customers, and make effective use of our resources and technology to continually improve and evolve.

Our ability to continue to provide a great service, maintain our homes to a high standard and build new homes is underpinned by our financial strength. I am therefore pleased that these accounts demonstrate a robust performance and financial viability both now and for the long term for the Group. I look forward to continuing to make a positive difference in the year ahead.

## **Clyde Valley Housing Association Limited**

### **Group Report of the Board For the year ended 31 March 2024**

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#### **Report of the Board of Management**

The Board of Management (Board) presents its report and the audited financial statements for the year ending 31 March 2024.

#### **Group Structure and Principal Activities**

The Clyde Valley Group (“CVG”, “the Group”) is a thriving social business recognised for innovative and partnership approaches to meeting community needs. Owning over 4,850 homes we deliver high quality services to over 8,000 people across four local authorities in Scotland. Our services are delivered through our charitable Registered Social Landlord, Clyde Valley Housing Association, and our mid-market letting and property management subsidiary, Clyde Valley Property Services.

Each part of the Group is focussed on delivering excellence no matter what they do and we remain firmly rooted in our communities, providing services tailored to the needs of our individual customers.

The Group’s activities cover principally North Lanarkshire and South Lanarkshire, with interests in Glasgow and East Dunbartonshire. The Clyde Valley family comprises of:

- **Clyde Valley Housing Association Limited (“CVHA”)** is the largest part of the Group and our main operating company with a 28 year track record of delivering housing management services. CVHA is incorporated in Scotland and is a Registered Social Landlord registered with the Financial Conduct Authority under the Cooperative and Community Benefit Societies Act 2014 and is also a Scottish charity. At 31 March 2024, CVHA owned or managed over 4,850 affordable homes growing during the year following the completion of 124 new homes in the year.
- **Clyde Valley Property Services Limited (“CVPS”)** is our wholly owned subsidiary of CVHA which provides management services to the Group’s market and mid-market rented homes, provides property management services to over 3,300 customers who own their properties and manages a small portfolio of properties on behalf of private landlords. The principal activities of CVPS are to manage properties through Scottish Private Residential Tenancy Agreements at mid-market rents (MMR), as well as a range of activities not allowed to be undertaken by CVHA as a Scottish charity, such as commercial ventures, development of private homes for sale or rent and other income generating activities.

There are also 4 dormant subsidiary companies within the group – Avant Letting Services Limited; Clyde Valley Group Limited; Gravity Consultant Services Limited; and Nova Property Management Services Limited.

#### **Objectives and Strategy**

Our Corporate Strategy sets out the values, strategic themes and ambitions for CVG. The Group’s long term strategy to achieve its objectives is set out in the 30-year Business Plan, supported by annual operational targets and budgets.

Our vision is to provide high quality homes and services that make a difference to peoples’ lives and to their communities.

We will always make a difference to people – from our life changing new homes to making it easier and quicker to pay rent or get repairs online. Our reach and impact in communities and our role in place-making across Lanarkshire and East Dunbartonshire will continue to develop.

## Clyde Valley Housing Association Limited

### Group Report of the Board For the year ended 31 March 2024

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This is our purpose and our mission and we're passionate about it.

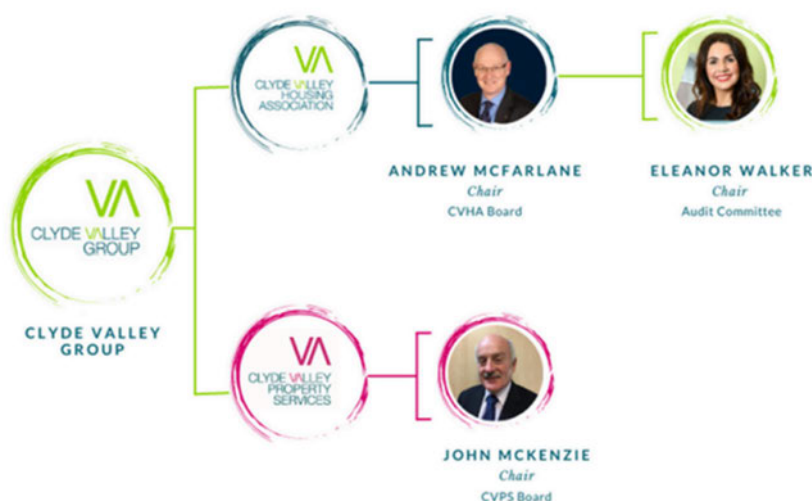
#### Our Values

Our values are important to us and underpin everything we do. We have made sure our values are actionable so we can show how we live them every day through our behaviours inside and outside Clyde Valley Group. What's more, our customers can take it for granted that we can be trusted and will be respectful, honest, open, fair and inclusive.

- **BE** all about customer - customers are our first priority and they drive everything we do and how we do it. This means we will make sure we know our customers well, do the right thing, and always deliver on our promises.
- **BE** ambitious - CVG and our people continue to grow and we'll always be ready for any opportunity as long as it benefits our customers. We'll support customers to realise their ambitions too.
- **BE** driven by excellence - our CVG team is relentless about doing better for customers, learning and focused on improving performance, doing more for customers and reducing customer effort.
- **BE** caring - most importantly we're people centred, we will listen and support customers and each other. We care about customers and each other. Some of our team members are customers themselves.
- **"Together we make the difference"** - great teamwork matters and we'll work together in enjoying what we do and making life easier for customers.

#### Governance

The governing body of CVHA is the Board who are elected by the Share Members of the Association. It is the responsibility of the Board to develop the strategy, set the policy and provide overall direction. They also monitor the operational activities of the Association through a structure of Committees in addition to the main Board, who have specific remits detailing their roles and responsibilities. The governing structure of the Association is as follows:





## **Clyde Valley Housing Association Limited**

### **Group Report of the Board For the year ended 31 March 2024**

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The majority of the Members of the Board of Management serve in a voluntary capacity with the exception of our Chair of CVHA Board, Chair of CVPS Board and Chair of Audit Committee. These roles are paid to reflect the increasing demands on their time and to provide a more robust succession planning.

The Board of Management in line with the Scottish Housing Regulator's Regulatory Framework, must achieve high standards in all their decision-making processes, and ultimately ensure the provision of first-class service delivery to their customers. All Board members undertake an annual appraisal, which also links into the Board Development and Training Plan.

The Executive Team of the Group is responsible for achieving the strategy outlined by the Board and undertaking the associated operational activities.

Our Customer Panel ensures that CVHA provides housing services that are of the highest standards to our customers and the communities where we have homes. Their main focus is to review housing service delivery and performance, review policies and procedures, provide scrutiny and to provide feedback and recommendations on how housing services can be improved.

The Group is grateful for the unstinting efforts of our Board and Customer Panel. Every effort is made to encourage volunteering of tenants where possible, and the impact of the Customer Panel during the year has been valued by the Group overall.

#### **Review of the year**

This year, the fourth year of our ambitious five-year Corporate Strategy, the Board and Executive Team have reviewed our progress together with the challenges and risks that currently face CVG and the wider housing sector in Scotland and across the UK.

As we reflect over the last four years of our Corporate Strategy, it is clear that our passion and commitment for the communities in which we work is more evident than ever, along with our clear value of being 'all about customer'. At the root of this are our people who provide exceptional services and a solid platform in which to continually develop and evolve. This can be demonstrated through the positive results from our Customer Service Excellence Accreditation and our Institute of Customer Service results. The launch of our new discretionary fund will empower our staff to provide innovative solutions to make a difference to our customers experience.

Despite our successes, the backdrop to the work we do continues to get ever more challenging and this is well documented. The cost of living crisis has impacted families across Scotland more than ever and many of our customers are feeling the effects of job insecurity, increased costs of basic essentials and associated financial hardship. We supported them in every way we could through the difficulties caused by growing economic crisis over the year, from the rising price of food to uncertainty in energy costs, as well as the continuing challenges brought on by Universal Credit. Our customer-focused way of working, and the range of ways we engage, help us understand the needs of our customers and respond to them effectively.

The year saw us obtain Investors in People Gold and Silver Wellbeing accreditations at our first attempt, demonstrating that the impact of the investment in our people and culture is having a positive effect.

We also successfully obtained a £20m revolving credit facility with Bank of Scotland which will enable us to continue building affordable homes.

## Clyde Valley Housing Association Limited

### Group Report of the Board For the year ended 31 March 2024

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Our mission, values and Corporate Strategy builds on our five key strategic themes of:

1.	<b>Providing a brilliant customer experience, delivering service excellence</b>
2.	<b>Addressing housing need and offering services across all tenures</b>
3.	<b>The leading RSL partner to create sustainable homes and communities.</b>
4.	<b>Focused on value for money and excellent governance as a growing and sustainable business.</b>
5.	<b>Aim to be the best housing association employer, committed to developing employees to realise their potential</b>

A summary of our work under each of our strategic themes is set out in this Strategic Report.

#### ***Providing a brilliant customer experience, delivering service excellence***

This year we carried out research with our customers to better understand customer expectations and how we can improve our approaches to keeping commitments and delivering outcomes.

Our customer-focussed way of working, and the range of ways we engage, helped us maintain the strong relationships we have with the people we work for and respond to their needs effectively.

Despite the many challenges we faced over the year, we continued to maintain high levels of performance across the indicators we report to the Scottish Housing Regulator.

Our gross rent arrears at the end of 2023/24 stood at 4.34%, well within our target and a further improvement on our 4.89% reported in 2022/23. The average days to re-let our homes was 44.14 days, an improvement from 54.85 days last year.

We completed 89% of repairs right first time and we continue to be 100% compliant with gas safety. We also continue to see improvements in our timescales for completing emergency and non-emergency repairs – this year reporting 2.2 hours and 6.73 days respectively an improvement on the 3.26 hours and 7 days reported in 2022/23.

During the year we also completed a review of the customer contacts we are receiving into our Contact Centre. Our Contact Centre provides specialist support with experienced advisors and housing professionals using everything from online forms to telephone and emails to offer first contact resolutions to tenant requests and queries. This will be a big area of focus for us going into 2024/25 and beyond.

Further to this we reviewed our approach to complaints handling across Group and continued to build our understanding of customer experience through our Learning from our Customer Feedback Group.

***Addressing housing need and offering services across all tenures***

We built 124 new homes over the year for social rent and have plans to complete more than 150 in the next 12-18 months.

We also continued to provide support to homeless people in 2023/24, allocating approximately 100 homes to homeless applicants over the year. A key focus for the Group is supporting our customers to maintain their tenancies to achieve long term stability, and our tenancy sustainment rate this year stood at 96%. This is a result that we are particularly proud of as we have worked hard to ensure our resources are where they are needed the most and that we are there to support those customers at a higher risk of having issues that might impact their ability to sustain their tenancy.

Our Customer Success team have worked hard to support our customers through some challenging times over the last year. This has also been supported by our very successful Wellbeing Hub which has aimed to bring together all of our support services into one easy to access service within the Group. We are delighted to announce that since its inception in 2021, our Wellbeing Hub has delivered:

- £2million of income gains to customers through benefit support.
- 2,600 energy vouchers to customers to help with fuel poverty.
- 450 supermarket vouchers to address food insecurity.
- 105 winter jackets to young people under 12 years of age.
- 770 pre-payment vouchers issued through the Fuel Bank Foundation.
- 100 young people received Stay Safe Play Safe books.

***The leading RSL partner to create sustainable homes and communities***

Developing new homes and investing in our current stock continues to be a focus for the Group. We see our assets as far more than 'bricks and mortar'. Our housing stock plays a key role in shaping the social, economic and environmental wellbeing of our local communities, influencing the quality of life of our customers.

We recognise that our housing stock represents our most valuable asset and our largest liability in investment terms. Effectively our stock provides the lifeblood of the organisation as it generates our day-to-day revenues which in turn underpin our ability to meet our ongoing running costs, provide for our necessary maintenance requirements and ultimately enable investment in new developments.

Over the last year we invested £9.4million improving our existing homes, making them safer, more energy efficient and more attractive places to live. We have also procured a new asset management and compliance system which operates from one data source to ensure the integrity of our data remains robust as we grow and develop.

We continued to strengthen our property data across 2023/24 with more enhanced stock condition survey information to allow us to continue to plan investment that keeps our properties well maintained but also meets the expectations of our customers. This data will also ensure that we invest in our green and open spaces, estate management and communal areas – all areas that we are conscious we need to improve upon in order to improve customer satisfaction and demonstrate value for money for our customers.

Sustainability has always been at the heart of our current strategy. At CVG we want to play our part in helping to address the climate crisis, both at a national level and, as importantly, within our homes and local communities.

For us, sustainability is not only about meeting targets and reducing emissions, but about changing lives and communities for the better. Our investment should make warmth more affordable and help reduce fuel poverty whilst retaining services and investment in other areas.

## Clyde Valley Housing Association Limited

### Group Report of the Board For the year ended 31 March 2024

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Being one of the top 5 developing RSLs over the past few years, we have delivered homes fit for the future which are progressive in terms of energy and carbon reduction targets, as well as exceeding sustainability and environmental targets. We ensure our homes have at least an EPC B and have embraced modern methods of construction. We are delighted that at the end of 2023/24 over 90% of our properties are at EPC rating C or better.

As we look forward to the final year of our strategy, we will focus on:

- Implementing a fresh approach to our reactive repairs and void delivery which starts with the procurement of the full service and will have a strong focus on meeting and exceeding our targets for our reactive repairs service and improving customer satisfaction levels.
- Reviewing our void standard in terms of the quality of homes we allocate to our customers but also how we can improve turnaround times and in turn increase rental income.
- Deliver our annual planned maintenance programme whilst focussing on the development of our medium and longer term programmes of investment.
- Carrying out further robust stock condition surveys to continue to enhance our stock data and inform our new Asset Management Strategy.

#### ***Focussed on value for money and excellent governance as a growing and sustainable business***

At CVG we recognise the need to focus on delivering value for money for our customers and it has been a key objective over the period of our current Strategy.

Our Group structure and focus on driving operational cost efficiencies has given us the ability and capacity to respond to the financial challenges that the housing sector has experienced over the last few years. Despite these external economic factors the Group produced a strong and resilient financial performance in 2023/24, whilst protecting the services that are so important to our customers.

The cost of living crisis not only impacts the Group in terms of cost of delivery of services to our customers but also directly on customers, squeezing household budgets. Value for money services and keeping rents affordable has always been an important strategic aim and evermore so during times of financial pressure.

Through our customer satisfaction survey we ask customers if they feel that their rent represents 'value for money'. The results from our 2023-24 survey shows that 77.31% of our customers felt that their rent represented value for money. This is consistent with our 2021-22 survey (77.80%) but is a drop from our 2022-23 survey (81.0%) which aligned with the Scottish average (81.8%). We recognise that we have some work to do in order to improve on this performance particularly in the current operating environment.

We recognise that tenant communication and engagement is at the heart of value for money. As we prepare for the launch of our new Strategy 2025-2030 we will reflect on how we capture value for money and how we ensure our focus remains on those services most important to our customers.

Aligned to our value for money approach, our ambition is to evolve towards a digital, self-service approach to accessing our services. We recognise the need to offer our customers a service that is simple and modern but which is also flexible, by empowering people to self-serve at a time and location that suits them. We also recognise the potential to provide significant value for money to the business with this approach.

It should be noted that although we will be investing in and promoting digital self-service to all customers, we will always adopt a 'digital by choice' approach to ensure that we don't leave any customer behind. This is supported by our substantial investment in our Contact Centre model which will continue to provide high-quality voice and digital services to our customers at the first point of contact.

## Clyde Valley Housing Association Limited

### Group Report of the Board For the year ended 31 March 2024

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The CVHA Board forms the heart of the group governance structure. As the Parent company, CVHA retains governance responsibilities associated with the Group Business Plan, approval of budgets and financial plans, the appointment of Governing Board members and is responsible for the Annual Assurance Statement sign off.

Governance excellence is a key priority for CVG and we continue to develop and demonstrate evidence of assurance to ensure Board and Committees are furnished with the right information to constructively challenge, add value to the thinking and be fully assured that strong governance is in place. Both CVHA and CVPS have experienced Board members with the skills to provide effective governance and oversight.

In 2023/24, our Board assessed compliance with all Regulatory requirements in preparation for our annual Assurance Statement that was submitted to the SHR in October 2023. The Board signed off on this statement after receiving the assurance it required that the Association was complying with the Regulatory Requirements detailed in Chapter 3 of the SHR's Regulatory Framework. At the end of 2023/24, the SHR published our annual Engagement Plan which confirmed we are Compliant with the Regulatory Framework. It also noted that we are considered a 'Systemically Important' RSL on account of our size, turnover and level of borrowings.

#### ***Aim to be the best housing association employer, committed to developing employees to realise their potential***

During 2023/24 we have worked hard to build on our capacity and capability, embed our culture, modernise our people processes and really define our approach to equality, diversity and inclusion.

We were delighted to achieve Investors in People Gold and Wellbeing Silver accreditation in 2023/24. Both of which were achieved on our first assessment on the Investors in People standard. This is an achievement we are particularly proud of and one which demonstrates and evidences the significant role our staff team play in our success.

We also retained our Customer Service Excellence accreditation, the national standard for excellence in customer service in public sector organisations overseen by the UK Government's Cabinet Office.

We were also delighted this year to see our leaders develop their careers with Carron Garmory appointed to Group Chief Executive. Carron will continue to build the Group to be that incredible force for good; one renowned for delivering exceptional services and building and maintaining homes and communities people are proud to live in.

Our watchwords over the last few years have been excellence, ambition, caring, dedicated and together. Our reputation has been earned through decisive, purposeful action, resulting in effective, sustainable solutions and a caring, compassionate ethos that puts the people we work for and our colleagues first and at the heart of our thinking, planning and actions.

As we look ahead, we will:

- Continue to create an inclusive and diverse culture that supports our employees wellbeing.
- Further embed our values by working with and listening to our staff and developing a CVG People Charter.
- Revise our succession plans that build on our learning and development investment whilst improving our retention and growing our talent.
- Develop a clear set of leadership values that reflect what it means to be a leader in CVG and help improve employee engagement.
- Develop a reward and recognition plan that helps make our employees feel further valued and appreciated.

## Clyde Valley Housing Association Limited

### Group Report of the Board For the year ended 31 March 2024

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#### Financial Review

This year, the fourth year of our Corporate Strategy, saw us navigate a volatile economic climate and higher than expected costs of doing business. Despite these external economic factors the Group produced a strong and resilient financial performance in 2023/24 whilst continuing to deliver all of the services that are so important to our customers.

As shown in the Statement of Comprehensive Income, total turnover increased to £32.4m, up from £27.3m in 2022/23. The increase of £5.1m is driven by a modest increase in net income from social housing activities and income generated from the sale of housing within our CVPS subsidiary which will be non-recurring income.

Turnover generated in the Group's core social letting business from rents and service charges grew to £24m up from £21.7m in the prior year, an increase of £2.3m linked to our rent increase plus additional homes completed in the new build programme. Non-social housing activities continue to represent a relatively small proportion of the Group's overall turnover.

Over the year the Group has worked hard to strengthen our financial position on EBITDA, interest cover and in the year, we have seen operating costs for affordable letting activities remain consistent with the prior year (2023/24: £17.5m – 2022/23: 17.6m). This demonstrates the Group's commitment to the achievement of sustained cost efficiencies in our operating cost base. Despite the inflationary economic conditions experienced in 2022/23 and 2023/24 and the impact this has had on our cost base, the focus on cost efficiencies, without detriment to service provision, have helped to grow earnings to a level that supports the servicing of borrowings, allowing the Group to maintain a high degree of financial flexibility, and be responsive and agile to changes in our plans. Generating sufficient earnings to invest in and maintain existing homes and service debt also enables us to continue with our new build programme to increase the provision of new homes in our communities, ensuring we provide our existing customers with value for money services and keep rents affordable. We have also taken time during 2023/24, in line with our work on our stock condition survey, to ensure that investment was focussed in the right areas both now and in the future. This has resulted in some asset management spend being delayed during 2023/24 but this will be carried forward into the Business Plan in future years.

Over the year, the Association spent £9.4m maintaining and improving housing stock. Of the £9.4m, £3.9m (2022/23: £4.4m) was spent on reactive and planned maintenance activities with £5.4m spent on new components to replace existing components (bathrooms, boilers, kitchens, etc.) which had come to the end of their useful lives.

The interest paid on the Association's loans rose to £6.3m (2022/23: £5.5m). This reflects the sustained increase in Bank of England base rates during the year. The movement on the fair value of financial instruments has resulted in these decreasing at the year-end by £422,857 compared to a decrease in the previous year of £2,377,093.

The overall outturn for the year has resulted in the Group making a surplus of £4m (2023: £3.7m) after providing for Corporation Tax relief of £nil (2023: £nil) and any movement in the actuarial value of the pension.

The Statement of Financial Position reflects the results of the year, with reserves rising to £43.3m from £39.2m. Social housing properties also increased in value this year representing the long-term value in investment in customers' homes and the investment in the new build programme which has seen a total of 124 new homes completed in the year.

Debt and gearing levels remain sustainable with long term loans of £129.9m (2022/23: £133.2m). The Association has cash balances of £1.7m at the year end with access to considerable undrawn borrowing facilities which will be used to fund our continuing development programme.

## **Clyde Valley Housing Association Limited**

### **Group Report of the Board For the year ended 31 March 2024**

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The Group continued to deliver robust cashflows from its core operations generating a cash inflow of £17.6m (2022/23: £9.2m). New borrowings have been negotiated from Bank of Scotland (revolving credit facility of £20m), with operational cashflows and available liquidity more than sufficient to fund our significant capital investment and new build programme for the coming year.

Rental cashflows remained strong and dependable with arrears levels being closely monitored and more tenants moved over to claim Universal Credit.

After taking account of investing and financing activities, cash and cash equivalents were £1.9m; a reduction of £4.8m in the year.

We remain in a period of uncertainty and coupled with the adverse impact of the ongoing cost of living crisis and risks associated with the current economic climate, we have considered what measures can be put in place to help mitigate these risks in future financial planning. The Group continues with its new build programme but can reduce the scale of this should the economic situation deteriorate. Similarly, we maintain a high level of investment in our financial planning, and this can be reprofiled should there be a requirement to reduce costs due to unforeseen pressures from external factors. As part of our Going Concern review, we have considered the impact of all these challenges and our ability to deliver services to our communities.

#### **Credit Payment Policy**

The Association's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The Purchase Ledger system is set to generate an automatic payment 28 days after the date of invoice. Where creditors have shorter payment terms these are adhered to.

#### **Treasury Management**

A vital element and driver of the Group's activities is treasury management. The Group carries out treasury activities supporting the funding needs of the Group within the framework of the Treasury Management Policy.

CVHA has an agreed loan facility of £70m with lenders Bank of Scotland (part of Lloyds Banking Group) and Barclays Bank. A £70m private placement with Canada Life has been in place since 2018 with £35m drawn in 2018 and the other £35m drawn in 2020. The relationship the Association has with our lenders is very important to us and we look forward to continuing to work in partnership with these key stakeholders.

In June 2023 a £20m revolving credit facility was signed with Bank of Scotland and it is only during 2024/25 that CVHA will start to draw down on this.

Our lenders have set minimum levels of interest cover and maximum gearing covenant tests that must be met. Our results were well within the parameters set, therefore meeting all covenants.

The Group has active treasury management controls, which operate in accordance with the Treasury Management Policy which is reviewed and approved by the Board annually. In this way the Group manages cash flow and borrowing arrangements to ensure that it is always able to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held. CVHA, as a matter of policy, does not enter transactions of a speculative nature. As of 31 March 2024, CVHA had a mix of fixed and variable rate finance, which it considers appropriate at this time.

## **Clyde Valley Housing Association Limited**

### **Group Report of the Board For the year ended 31 March 2024**

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#### **Going Concern**

The Board has a reasonable expectation that the Association and its subsidiary, CVPS, has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in the preparation of the Group's financial statements.

The Group prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in May 2024 by the Board. As well as considering the impact of several scenarios on the business plan the Board also considered stress testing against the base plan which included updated scenarios in recognition of the current operating environment of the Group. These updated scenarios included severe but plausible downsides. The stress testing impacts were measured against loan covenants and peak borrowing levels with potential mitigating actions identified.

The Board also reviewed the Group budgets for 2024/25 and the Group's financial position as forecast in the 30-year business plan. As part of their considerations around going concern, the Board has considered the following factors:

- Rent and service charge receivable – arrears and bad debt assumptions have been reviewed in light of the current cost of living crisis and to allow for customer difficulties in making payments and budget and business plan scenarios updated to take account of potential future changes in rent increases.
- The property market – budget and business plan scenarios have taken account of delays, rising costs, productivity and labour shortages, and reprofiled new build handovers.
- Maintenance costs – budget and business plan scenarios have been modelled to take account of the profile of repairs and maintenance expenditure and any potential rephasing of major works in future years.
- Development activity – forecast development expenditure has been modelled to take account of revised investment profiles.
- Liquidity – review of current available cash unutilised loan facilities which gives significant headroom for committed expenditure and other forecast cash flows over the going concern assessment period.
- The Group's ability to withstand other adverse scenarios such as higher interest rates and increases in the number of void properties.

The Board believe the Group has sufficient funding in place and expect the Group to follow its debt covenants even in severe but plausible downside scenarios.

Consequently, the Board is confident that the Group will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### **Risk and Control Framework**

The Group recognises the importance of effective identification, evaluation and management of all key strategic and operational risks, and this is a requirement set out by the Scottish Housing Regulator's Regulatory Standards: "the governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose".

Risk management is a key element of the Group's overarching governance arrangements as it demonstrates that the Group has considered those areas which put the achievement of its strategic objectives under threat, that it has analysed the consequences of things going wrong and identified the actions and controls needed to prevent or limit these consequences, in accordance with agreed levels of risk appetite.



## Clyde Valley Housing Association Limited

### Group Report of the Board For the year ended 31 March 2024

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As the parent company, CVHA oversees the governance arrangements to address the risks associated with control of activities, and managing the risks, of all subsidiaries; to ensure that there is an appropriate use of funds across the Group; to ensure that risks to the core business of the Group are managed and mitigated to within risk appetite and that strong governance arrangements are upheld by all subsidiaries to protect the reputation of the Group.

Risk management within the Group is designed to identify and mitigate risks to the achievement of the Group's Strategic Plans. Risks in relation to delivery of strategic outcomes are captured at a corporate level and at a local management team level, with an established escalation method in place.

Risk Management is the responsibility of everyone in the organisation, whether or not they have a formally defined role in the process. To ensure the successful implementation of the Risk Management Policy, clear roles and responsibilities for the Risk Management process have been established. The Board has overall responsibility for ensuring the effectiveness of this framework. The Board also agrees risk appetite levels that are embedded within the Group's risk profile and used to determine the Group's approach to managing risk. The Executive Team facilitates the Risk Management Framework and processes. Its role is to ensure compliance with the Risk Management Framework, including monitoring of the Group's risk profile to ensure it is kept up to date, new and emerging risks are identified, and risk scores are challenged.

Risk Management forms an integral part of the culture and the way the Group is run. Risk Management is incorporated and embedded into business plans across the organisation (e.g. service improvement plans, project plans, team plans, individual plans). In this way, Risk Management is not the responsibility of senior management alone, but more appropriately the responsibility of all colleagues.

Our Strategic Risk Register is reviewed twice annually by the Board and quarterly by the Audit Committee.

The risks scored the most critical are set out below together with specific mitigating actions:

Risk	Mitigation
Failure to keep our systems safe from Cyber attacks	<ul style="list-style-type: none"><li>IT penetration testing carried out bi-annually and results reported to Audit Committee and Board.</li><li>IT Policy in place with training mandatory for all staff.</li><li>Third party specialist support in place for IT.</li><li>Cyber security and cyber-crime insurances in place.</li><li>Anti-virus and malware software in place.</li><li>Multi-factor authentication in place.</li></ul>
Failure to comply with relevant health and safety legislation and regulation	<ul style="list-style-type: none"><li>Health and Safety Operational Group in place and meets quarterly.</li><li>Health and Safety Policy in place and compliant with legislation and statutory requirements.</li><li>Specialist Health and Safety Auditor carries out health and safety related internal audits annually for assurance.</li><li>Health and Safety expert appointed to provide advice and support.</li></ul>
Business Plan and Budget assumptions are not achievable	<ul style="list-style-type: none"><li>Annual review of rent and service charges undertaken and approved by Board.</li><li>Rent Strategy considered by Board annually considering the Business Plan and the wider socio-economic context for customers and the business.</li><li>Subscription in place with a Treasury advisor.</li><li>Sensitivity analysis carried out on 30-year financial projections to understand pinch points and what areas would stretch covenant compliance.</li><li>Business Plan and 30-year projections in place and updated annually and monitored through monthly management accounts.</li><li>Monthly covenant calculations undertaken.</li><li>Asset management spend is controllable.</li></ul>

## Clyde Valley Housing Association Limited

### Group Report of the Board For the year ended 31 March 2024

Risk	Mitigation
Disaster Recovery/ Business Continuity	<ul style="list-style-type: none"> <li>• Cloud based IT systems in place.</li> <li>• Disaster recovery and BCP in place and tested.</li> </ul>
Failure to deliver Customer Promises	<ul style="list-style-type: none"> <li>• Learning from Customer Feedback mechanisms in place – including annual surveys, transactional surveys, CRM case analysis and customer engagement to ensure that learning from customer experience feeds into service improvement.</li> <li>• Customer Contact Centre in place to provide a one-stop shop approach for customers contacting the Group.</li> <li>• CRM in place to provide visible and consistent approach to managing our customer experience.</li> <li>• Membership of the Institute of Customer Service in place to provide access to best practice, advice, surveys and benchmarking.</li> <li>• Customer Service Excellence accreditation in place with annual reviews.</li> <li>• Customer Experience Strategy in place.</li> </ul>
Failure to invest in and maintain stock to meet current and future legislative and regulatory standards	<ul style="list-style-type: none"> <li>• Asset management spend is controllable.</li> <li>• Asset Management spend and investment priorities are included in the Business Plan.</li> <li>• EESSH and SHQS is reported annually to Scottish Housing Regulator.</li> <li>• Three yearly inspection valuations carried out.</li> <li>• Stock condition surveys are carried out regularly.</li> <li>• Reactive repairs budget in place and closely aligned with the asset and cyclical repairs programme.</li> <li>• Asset management system in place to direct investment.</li> </ul>
Failure to meet applicable regulatory requirements	<ul style="list-style-type: none"> <li>• Corporate Strategy in place, set and agreed by the Board with updates on delivery of strategy provided to Board.</li> <li>• Self-assessment against regulatory standards carried out annually.</li> <li>• Governance Excellence Plan in place, agreed by Board with an update provided bi-annually.</li> <li>• Assurance and notifiable events are now a standard item on all Board and Audit Committee agendas.</li> <li>• Experienced Board and Executive Team in place.</li> <li>• Planning timetable of all returns in place.</li> <li>• Scheme of delegation, policies and procedures in place.</li> <li>• Robust programme of Internal Audit in place.</li> <li>• Ongoing relationship with the Scottish Housing Regulator.</li> <li>• Changes to legislation are identified and implemented by responsible officers.</li> <li>• Privacy Impact Statement implemented across Group.</li> </ul>
Failure to have an organisational culture and strategy to attract and retain staff	<ul style="list-style-type: none"> <li>• People Strategy in place and driven by the People Team.</li> <li>• Equality, Diversity and Inclusion Strategy in place with an action plan to support delivery.</li> <li>• Recruitment and retention practices in place to compliment the People Strategy.</li> <li>• Wellbeing Plan in place.</li> <li>• Learning and Development plan in place.</li> <li>• Performance appraisal system in place for all staff.</li> <li>• Training logs held for each staff member and completed as part of regular discussions.</li> <li>• Regular surveys of staff satisfaction.</li> <li>• Career Pathways plan to support succession across the business.</li> </ul>

## **Clyde Valley Housing Association Limited**

### **Group Report of the Board For the year ended 31 March 2024**

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The Group is also reviewing several risks as part of its risk radar which looks at new or emerging risks. The following are being considered:

- Carbon neutral agenda and the impact on the Group, including the impact of the Scottish Housing Net Zero Standard (SHNZS) and the Scottish Government's aspirational energy targets for 2032.
- The use of gas in our properties and the current limitations on suitable and affordable alternatives for our customers.
- Challenges in securing new funding and adverse market changes.

### **The Environment and Sustainability**

The Scottish Government is committed to sustainable development and reducing the impact of climate change and this aim is shared by CVG. The Group endeavours to meet Government policy requirements and aspirations in the provision of all its services. We also see our commitment to sustainability as fundamental to our continued success and development. While we have a contribution to make in achieving a broad range of sustainability objectives, we recognise that we need to focus our efforts, priorities and investment in areas where we can, and must, have the greatest impact. As such our focus needs to be in:

- Reducing emissions from our existing homes.
- Building new homes that are energy efficient and do not rely on fossil fuel heating.
- Ensuring we minimise the impact of our business operations on the environment.
- Working with sustainable contractors that share our values.
- Reducing fuel poverty for our customers and delivering positive social impact.
- Supporting our customers, communities and staff to adapt to the impacts of climate change.

All other aspects of our business will make a supporting contribution.

### **Future Prospects**

Our delivery plan for the forthcoming financial year (2024/25) is noted below. They reflect the environmental analysis we have carried out taking account of our strengths, weaknesses, opportunities and external threats to the business. The delivery plan was developed by our Board and Leadership Team after consultation with staff and customers to ensure all our stakeholders understood what our priorities are for the year ahead:

In terms of outcomes, in addition to our key success factors during this year we are focused upon:

- Implementing a new set of service standards for our main areas of service delivery.
- Launching a new programme of Customer Service training across the Group aligned with our Corporate Strategy, Customer Experience Strategy and our Customer Promises.
- Implement the actions from our review of our approach to complaints management, including training on complaints handling and an increased focus on meeting commitments and delivering positive outcomes for our customers.
- Reviewing how we manage our estates to improve customer satisfaction and create neighbourhoods our customers are proud of.
- Development of a new Customer Engagement Strategy.
- Embed our new reactive repairs and void management contract.
- Complete our current programme of stock condition surveys to fully understand the Group's requirements and reflect any updates in our business planning.

## **Clyde Valley Housing Association Limited**

### **Group Report of the Board For the year ended 31 March 2024**

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- Deliver a further 84 new build homes for social rent.
- Consider fully the future of our stock in Douglas, South Lanarkshire.
- Understand our future new build programme and the cost of financing this, including a new build specification for moving forward.
- Create a Careers Pathway that supports our investment in learning and development and improves our retention and talent growth.
- Look at our standards across the business to empower staff to make decisions and improve quality standards across our core business pillars.
- Develop our Corporate Strategy for 2025-30.

#### **Board and Officer Insurance**

The Association has purchased and maintains insurance to cover its Board and officers against liabilities in relation to their duties on behalf of the organisation, as authorised by the Association's Rules. Directors' indemnity policies are in place for the directors of CVPS as disclosed in CVPS accounts.

#### **Disclosure of Information to the Auditor**

The members of the Board at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

#### **Auditor**

A resolution for the reappointment of RSM UK Audit LLP, as auditors of the Association, will be proposed at the Annual General Meeting.

By Order of the Board



Andrew McFarlane  
Chairperson

## Clyde Valley Housing Association Limited

### Statement of Board's Responsibilities For the year ended 31 March 2024

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The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Clyde Valley Housing Association, and of the Group, and of the surplus or deficit for that period. In preparing these financial statements, the Board 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 will continue in business.

The Board is responsible for instituting adequate systems of internal control and for:

- safeguarding assets
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association, and of the Group, and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, The Housing Scotland Act (2010) and the Determination of Accounting Requirements – February 2019.

The Board is responsible for the maintenance and integrity of the financial information included on the Clyde Valley Group website.

By Order of the Board



Position: Chairperson

Date: 26 - 8 - 24

## Clyde Valley Housing Association Limited

### Board's Statement of Internal Financial Control For the year ended 31 March 2024

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

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

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable, and not absolute, assurance against material financial misstatement or loss or failure to meet objectives. Key elements of the Association's systems include ensuring that:

- formal policies and procedures are in place, including the on-going 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 assets;
- experienced and suitably qualified staff take responsibility for the important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Executive Management Team and Board to monitor the key business risks, financial objectives and progress being made towards achieving the financial plans set for the year and for the medium term;
- monthly/quarterly management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information, with significant variances from budget being investigated as appropriate;
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through the Board;
- the Audit Committee and Board receives reports from management and from the external and internal auditors, to provide reasonable assurance that control procedures are in place and are being followed, and that a general review of the major risks facing the Association is undertaken; and
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal and external audit reports.
- An internal auditor has been appointed in accordance with the requirements of Guidance note 97/06. An audit plan was set and completed for the year. The results of the work confirm that the Association has satisfactory procedures for managing its finances.

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

By Order of the Board



Position: Chairperson

Date: 26 - 8 - 24

**Clyde Valley Housing Association Limited**

**Report by the Auditors to the members of Clyde Valley Housing Association Limited on  
Corporate Governance Matters  
For the year ended 31 March 2024**

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In addition to our audit of the Financial Statements, we have reviewed your statement on page 22 concerning the Association's compliance with the information required by the Regulatory Standards for systemically important RSLs in respect of internal controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

**Basis of Opinion**

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

**Opinion**

In our opinion the Statement on Internal Financial Control on page 22 has provided the disclosures required by the relevant Regulator Standards for systemically important RSLs 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.



RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

30 August 2024  
Date.....

## **Clyde Valley Housing Association Limited**

### **Independent Auditor's report to the Members of Clyde Valley Housing Association Limited For the year ended 31 March 2024**

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#### **Opinion**

We have audited the financial statements of Clyde Valley Housing Association (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2024 which comprise the Group Statement of Comprehensive Income, Statement of Comprehensive Income, Group Statement of Financial Position, Statement of Financial Position, Group Statement of Changes in Reserves, Statement of Changes in Reserves, Group Statement of Cashflows, Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Association's affairs as at 31 March 2024 and of its income and expenditure of the Group and the income and expenditure of the Association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Cooperative and Community Benefits Societies (Group accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and parent Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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



## **Clyde Valley Housing Association Limited**

### **Independent Auditor's report to the Members of Clyde Valley Housing Association Limited For the year ended 31 March 2024**

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Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Board report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Board's report has been prepared in accordance with applicable legal requirements.

#### **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.

#### **Responsibilities of the Board**

As explained more fully in the Statement of Board's Responsibilities set out on page 22, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to

## **Clyde Valley Housing Association Limited**

### **Independent Auditor's report to the Members of Clyde Valley Housing Association Limited For the year ended 31 March 2024**

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perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of the Board, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and the Association operates in and how the group and the Association is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Cooperative and Community Benefits Societies Act 2014, the Scottish Housing Acts and the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are the Housing (Scotland) Acts 2006, 2010 and 2014, the Energy Efficiency Standard for Social Housing (ESSH) and the Office of the Scottish Charity Regulator (OSCR). We performed audit procedures to inquire of management and those charged with governance whether the Association is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls and the existence, completeness, and valuation of income as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered outside the normal course of business, in relation to management override of internal controls. Audit procedures in relation to assertion risks for income included but were not limited to substantive analytical review to test the grant and rental income that was recognised, selecting a sample of rental income to assess whether it was recognised in accordance with rent review letters or signed tenancy agreements which agree to the housing management system and corroborating a sample of other income to supporting documentation.

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

**Clyde Valley Housing Association Limited**

**Independent Auditor's report to the Members of Clyde Valley Housing Association Limited  
For the year ended 31 March 2024**

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**Use of our report**

This report is made solely to the Association's members as a body, in accordance with Part 7 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.



**RSM UK Audit LLP**  
Statutory Auditor  
Chartered Accountants  
Third Floor  
Centenary House  
69 Wellington Street  
Glasgow, G2 6HG

Date: 30 August 2024

**Clyde Valley Housing Association Limited**

**Group Statement of Comprehensive Income  
For the year ended 31 March 2024**

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	<b>Notes</b>	<b>2024 £</b>	<b>2023 £</b>
TURNOVER	2	32,396,944	27,296,720
Operating expenditure	2	(22,860,270)	(20,738,574)
OPERATING SURPLUS		<u>9,536,674</u>	<u>6,558,146</u>
(Loss)/Gain on disposal of property, plant and equipment		(112,627)	264,687
Gain on Revaluation of Housing Investment Properties		33,298	4,000
Interest receivable	6	282,519	236,880
Interest and financing costs	7	(5,632,646)	(4,939,837)
Movement in fair value of financial instruments		422,857	2,377,093
Profits from Associate	12	<u>67,770</u>	<u>54,548</u>
SURPLUS BEFORE TAX		4,597,845	4,555,517
Taxation		<u>(59,612)</u>	-
SURPLUS FOR THE YEAR		4,538,233	4,555,517
Other comprehensive Income			
Actuarial (loss) in respect of defined benefit pension scheme	26	<u>(562,000)</u>	<u>(884,689)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>3,976,233</u></u>	<u><u>3,670,828</u></u>

The accompanying notes form part of these financial statements.

**Clyde Valley Housing Association Limited**

**Statement of Comprehensive Income - Association  
For the year ended 31 March 2024**

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	<b>Notes</b>	<b>2024 £</b>	<b>2023 £</b>
TURNOVER	2	27,976,692	25,160,831
Operating expenditure	2	<u>(18,786,274)</u>	<u>(18,626,525)</u>
OPERATING SURPLUS		<u>9,190,418</u>	<u>6,534,306</u>
(Loss)/Gain on disposal of property, plant and equipment		(112,627)	264,687
Interest receivable	6	311,392	281,998
Interest and financing costs	7	(5,632,646)	(5,008,949)
Movement in fair value of financial instruments		422,857	2,377,093
Profits from Associate	12	<u>67,770</u>	<u>54,548</u>
SURPLUS BEFORE TAX		<u>4,247,164</u>	<u>4,503,683</u>
Taxation		-	-
SURPLUS FOR THE YEAR		<u>4,247,164</u>	<u>4,503,683</u>
Other Comprehensive Income			
Actuarial (loss) in respect of defined benefit pension scheme	26	<u>(562,000)</u>	<u>(884,689)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>3,685,164</u></u>	<u><u>3,618,994</u></u>

The accompanying notes form part of these financial statements.

**Clyde Valley Housing Association Limited**

**Group Statement of Financial Position  
For the year ended 31 March 2024**

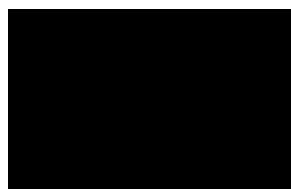
	Notes	2024 £	2023 £
<b>FIXED ASSETS</b>			
Housing properties	10.A	382,261,883	373,444,971
Other fixed assets	10.B	3,606,684	3,723,408
Investment properties	11	2,238,000	2,202,062
Fixed asset investments	12	3,265,894	3,198,124
Intangible assets	14	36,001	48,000
		<u>391,408,462</u>	<u>382,616,565</u>
<b>CURRENT ASSETS</b>			
Work in progress and Properties held for sale	15	508,927	5,957,556
Trade and other debtors	16	2,459,800	2,024,606
Cash and cash equivalents		1,896,651	6,647,498
		<u>4,865,378</u>	<u>14,629,660</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	17	(12,533,882)	(12,697,085)
<b>NET CURRENT ASSETS</b>		<u>(7,668,504)</u>	<u>1,932,575</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Creditors: amounts falling due after more than one year	18	(339,608,315)	(344,955,727)
Defined benefit pension liability	26	(924,000)	(362,000)
		<u>(340,532,315)</u>	<u>(345,317,727)</u>
<b>TOTAL NET ASSETS</b>		<u><u>43,207,643</u></u>	<u><u>39,231,413</u></u>
<b>RESERVES</b>			
Share Capital	22	62	66
Income and Expenditure Reserve		43,207,581	39,231,347
<b>TOTAL RESERVES</b>		<u><u>43,207,643</u></u>	<u><u>39,231,413</u></u>

The financial statements on pages 28 to 69 were approved by the Board and authorised for issue on 26 August 2024 and are signed on its behalf by:

Chairperson

Secretary

Board Member



Clyde Valley Housing Association Limited

Statement of Financial Position - Association  
For the year ended 31 March 2024

	Notes	2024 £	2023 £
<b>FIXED ASSETS</b>			
Housing properties	10.A	382,478,683	373,661,389
Other fixed assets	10.B	3,606,684	3,723,408
Fixed asset investments	12	3,265,894	3,198,124
Investment in subsidiaries	13	1	1
		<u>389,351,262</u>	<u>380,582,922</u>
<b>CURRENT ASSETS</b>			
Work in progress and Properties held for sale	15	96,101	2,413,768
Trade and other debtors	16	2,407,367	5,433,343
Cash and cash equivalents		1,688,385	6,618,083
		<u>4,191,853</u>	<u>14,465,194</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	17	(11,958,384)	(12,429,981)
<b>NET CURRENT ASSETS</b>		<u>(7,766,531)</u>	<u>2,035,213</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>381,584,731</u>	<u>382,618,135</u>
Creditors: Amounts falling due after more than one year	18	(339,608,318)	(344,888,882)
Defined benefit pension liability	26	(924,000)	(362,000)
		<u>(340,532,318)</u>	<u>(345,250,882)</u>
<b>TOTAL NET ASSETS</b>		<u>41,052,413</u>	<u>37,367,253</u>
<b>RESERVES</b>			
Share Capital	22	62	66
Income and Expenditure Reserve		41,052,351	37,367,187
<b>TOTAL RESERVES</b>		<u>41,052,413</u>	<u>37,367,253</u>


The financial statements on pages 28 to 69 were approved by the Board and authorised for issue on 26 August 2024 and are signed on its behalf by:

Chairperson



Secretary

Board Member



**Clyde Valley Housing Association Limited**

**Group Statement of Changes in Reserves  
For the year ended 31 March 2024**

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	<b>Income and expenditure reserve £</b>
<b>Balance at 1 April 2022</b>	35,560,519
Surplus for the year	<u>3,670,828</u>
<b>Balance as at 1 April 2023</b>	<u>39,231,347</u>
Surplus for the year	<u>3,976,233</u>
<b>Balance as at 31 March 2024</b>	<u>43,207,580</u>



**Clyde Valley Housing Association Limited**

**Association Statement of Changes in Reserves  
For the year ended 31 March 2024**

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	<b>Income and expenditure reserve £</b>
<b>Balance at 1 April 2022</b>	33,748,193
Surplus for the year	<u>3,618,994</u>
<b>Balance as at 1 April 2023</b>	<u>37,367,187</u>
Surplus for the year	<u>3,685,164</u>
<b>Balance as at 31 March 2024</b>	<u>41,052,351</u>

**Clyde Valley Housing Association Limited**

**Group Statement of Cashflows  
For the year ended 31 March 2024**

	Notes	2024 £	2023 £
Net cash generated from operating activities	23	17,553,300	9,199,649
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets		(13,222,988)	(19,965,334)
Capitalised component replacements		(1,674,315)	(2,229,005)
Purchase of other fixed assets		(26,765)	(48,341)
Proceeds on disposal of housing properties		91,759	2,347,993
Grants received		1,821,738	6,415,781
Interest received		282,293	236,880
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(12,728,278)</u>	<u>(13,242,026)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Interest paid		(6,376,095)	(4,939,837)
Repayments of borrowings		(3,200,000)	(3,080,000)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<u>(9,576,095)</u>	<u>(8,019,837)</u>
		<u>(22,304,373)</u>	<u>(21,261,863)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<u>(4,751,073)</u>	<u>(12,062,214)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		6,647,498	18,709,712
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	23	<u>1,896,425</u>	<u>6,647,498</u>

**Clyde Valley Housing Association Limited****Statement of Cashflows - Association  
For the year ended 31 March 2024**

	<b>Notes</b>	<b>2024 £</b>	<b>2023 £</b>
Net cash generated from operating activities	24	17,342,821	9,251,033
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets		(13,222,988)	(19,965,334)
Capitalised component replacements		(1,671,559)	(2,204,973)
Purchase of other fixed assets		(26,765)	(48,341)
Proceeds on disposal of housing properties		91,759	2,347,993
Grants received		1,821,738	6,415,781
Interest received		311,165	281,998
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(12,696,650)</b>	<b>(13,172,876)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Interest paid		(6,376,095)	(5,008,949)
Repayments of borrowings		(3,200,000)	(3,080,000)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(9,576,095)</b>	<b>(8,088,949)</b>
		<b>(22,272,745)</b>	<b>(21,261,825)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(4,929,924)</b>	<b>(12,010,792)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>6,618,083</b>	<b>18,628,875</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	24	<b>1,688,159</b>	<b>6,618,083</b>

## **Clyde Valley Housing Association Limited**

### **ACCOUNTING POLICIES For the year ended 31 March 2024**

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#### ACCOUNTING POLICIES

The principal accounting policies of the Group and Association are set out in the paragraphs below.

#### LEGAL STATUS

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Financial Conduct Authority. The Association is also registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010.

The address of the Company's registered office and principal place of business is 50 Scott Street, Motherwell, ML1 1PN.

The Association meets the definition of a public benefit entity.

The Association's principal activities are providing social rented accommodation, factoring services, and fees or revenue grants receivable from local authorities and from The Scottish Government. CVPS provides accommodation at mid-market rent, commercial rented properties and consultancy income.

#### BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and they comply with the Determination of Accounting Requirements 2019, and under the historical cost convention.

The financial statements are prepared in Sterling (£).

#### BASIS OF CONSOLIDATION

The Group financial statements consolidate the financial statements of CVHA and its subsidiary company, CVPS using acquisition accounting.

#### CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Preparation of the financial statements requires management to make critical judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included below.

#### ***Valuation of Investment Property***

The Association estimates the value of its investment properties with reference to surveys carried out by external qualified surveyors.

## **Clyde Valley Housing Association Limited**

### **ACCOUNTING POLICIES (continued)**

**For the year ended 31 March 2024**

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#### CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT (continued)

##### ***Components of Housing Properties***

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

##### ***Recoverable Amount of Rent Arrears and Other Debtors***

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

##### ***Defined benefit obligation***

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases and is based on the input of the actuary. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 26). The net defined benefit pension liability at 31 March 2024 was £924,000.

##### ***Categorisation of Housing Properties***

In the judgement of the Board the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS102.

##### ***Identification of Cash Generating Units***

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

##### ***Going concern***

The Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. This is based on the Group's 30 year Business plan for 2023, which was approved by the Board in March 2023. This continues to show a strong financial performance with significant investment in new supply of housing stock, management and maintenance of housing stock and full repayment of all borrowings in the lifetime of the plan. Cash flows remain positive throughout the plan and all financial covenants, which are forecasts also, are met. These are closely monitored throughout. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Specific consideration of rent arrears as a key uncertainty has been considered in detail through sensitivity testing and monitored closely.

##### ***Turnover and revenue recognition***

Turnover comprises rental and service charge income receivable in the period, income from shared ownership first tranche sales, sale of properties built for sale, other services provided at the invoice value (excluding VAT) and revenue grants receivable in the period. The CVPS turnover represents the sale of Residential Properties, rent from commercial income and consultancy income.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the transaction.

## **Clyde Valley Housing Association Limited**

### **ACCOUNTING POLICIES (continued) For the year ended 31 March 2024**

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#### **Government Grants**

Government grants include grants receivable from the Scottish Government, local authorities and other government bodies. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, then any unamortised grant remaining is derecognised as a liability and recognised as income. Where there is a requirement to repay a grant, a liability is included in the Statement of Financial Position to recognise this obligation.

#### **Other Grants**

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

#### **Other Income**

##### *Interest income*

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

##### *Investment income*

Investment income is income generated from investment in associates as described.

#### **Tangible Fixed Assets – Housing Properties**

Housing properties are properties for the provision of social housing or to otherwise provide social benefit and are principally properties available for rent and shared ownership.

Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring land and buildings, capitalised interest and expenditure incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs; or
- A significant extension to the life of the property.

Shared ownership properties are split proportionally between fixed assets and current assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset, and related sales proceeds are included in turnover.

## **Clyde Valley Housing Association Limited**

### **ACCOUNTING POLICIES (continued)**

**For the year ended 31 March 2024**

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#### **Tangible Fixed Assets – Housing Properties(cont.)**

The remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment over the useful life of the asset. Where the first tranche has been sold prior to the acquisition of the properties, these are included in fixed assets only.

#### **Donated Land and Other Assets**

Land or other assets which have been donated by a government source is added to cost of assets at the fair value of the land at the time of the donation. The difference between the fair value of the asset donated and the consideration paid is treated as a non-monetary government grant and included within the Statement of Financial Position as a liability. The terms of the donation are considered to be performance related conditions. Where the donation is not from a public source, the value of the donations less the consideration is included in income.

#### **Investment Properties**

Investment properties (including properties held under an operating lease) consist of commercial properties and properties not held for social benefit. These properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available without undue cost or effort. Changes in fair value are recognised in income and expenditure. The valuation of these is carried out by a 3<sup>rd</sup> party as mentioned in Note 11.

These investment properties are held through CVPS and governed by the principles of the Companies Act 2006. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The Board consider that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the surplus/deficit for the financial year would have been reduced by depreciation.

However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

#### **Associates**

Undertakings in which the Association has significant influence (re the power to participate in the financial and operational decisions but does not control or have significant control over their policies) are classified as Associates. Under FRS 102 Clyde Valley Housing Association Ltd must recognise a share of the associate company's profit or loss in proportion to this shareholding and the addition relates to the Association's 42% share of the associate company of the year. However, under the terms of the shareholders' agreement the Association's ultimate return may differ from the 42% at the end of the agreement.

#### **Intangibles**

Intangibles are initially measured at cost and then subsequently amortised over its finite life. During 2021/22, CVPS purchased a customer list from Love Homes and the costs of this acquisition will be written over a period of 5 years. This is based on the average time that a property is let for.

## Clyde Valley Housing Association Limited

### ACCOUNTING POLICIES (continued)

For the year ended 31 March 2024

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#### Depreciation of Housing Properties

Freehold land or assets under construction are not depreciated.

The Association separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight-line basis over the following years:

Buildings	70 years
Land	Nil
Assets under construction	Nil
Windows & Doors	30 years
Kitchens	20 years
Sanitary Ware	30 years
Roof	55 years
Heating Boilers	15 years
Heating Carcass	30 years
Rewire	30 years
Render	30 years

#### Impairment of Fixed Assets

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the RSL estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the income and expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

#### Other Tangible Fixed Assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Land & Buildings	50 years
Leasehold improvements	30 years
Plant and other equipment	4 years
Office equipment	4 years
Fixtures and fittings	4 years
Computer equipment	4 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.



## **Clyde Valley Housing Association Limited**

### **ACCOUNTING POLICIES (continued)**

**For the year ended 31 March 2024**

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#### **Borrowing Costs**

General and specific borrowing costs directly attributable to the acquisition and construction of qualifying properties are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

All other borrowing costs are expensed as incurred.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value. Work in progress comprises buildings under development and is valued on the basis of direct cost plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### **Taxation**

Clyde Valley Housing Association Limited has charitable status and is registered with the Office of Scottish Charities Regulator and is therefore exempt from paying Corporation Tax on charitable activities. CVPS is a commercial subsidiary and is liable to Corporation Tax and has the option to donate its profits to the charity through the gift aid scheme once all other liabilities due to the Parent are settled.

#### **VAT**

The Group and the Association is VAT registered, and have a Group VAT structure, however a large proportion of income, namely rents, is exempt for VAT purposes therefore giving rise to a Partial Exemption calculation. Expenditure is shown inclusive of VAT

#### **Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

Employees are entitled to carry forward up to 5 days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the RSL is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **Retirement Benefits**

The Association is a member of SHAPS which is accounted for as a defined benefit obligation in line with FRS 102. The scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates.

As at the year ended 31 March 2024, the net defined benefit pension deficit liability was £924,000 (2023: £362,000), which has been included within the provisions for pensions liability in the financial statements. In the year ended 31 March 2024, the current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period within the income and expenditure account. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income. Refer to Note 24 for more details.

## **Clyde Valley Housing Association Limited**

### **ACCOUNTING POLICIES (continued)**

**For the year ended 31 March 2024**

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#### **Financial Instruments**

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all its financial instruments.

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument and are offset only when the Association currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. These instruments are valued by the lenders.

#### **Financial assets**

##### **Debtors**

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income and expenditure.

#### **Financial liabilities**

##### **Trade creditors**

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

##### **Borrowings**

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

##### **Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value, at each reporting date. Fair value gains and losses are recognised in profit or loss unless hedge accounting is applied and the hedge is a cash flow hedge.

## **Clyde Valley Housing Association Limited**

### **ACCOUNTING POLICIES (continued)**

**For the year ended 31 March 2024**

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#### Derivatives (cont.)

To qualify for hedge accounting, the Association documents the hedged item, the hedging instrument and the hedging relationship between them, and the causes of hedge ineffectiveness (such as different maturities, nominal amounts or variable rates, and counterparty credit risk).

The Association elects to adopt hedge accounting for interest rate swaps where:

- the interest rate swap is a qualifying hedging instrument with an external party that hedges interest rate risk on a loan, part of the nominal amount of a loan, or a group of loans managed together that share the same risk and that qualify as a hedged item;
- the hedging relationship between the interest rate swap and the interest rate risk on the loan is consistent with the risk management objectives for undertaking hedges (i.e. to manage the risk that fixed interest rates become unfavourable in comparison to current market rates or the variability in cash flows arising from variable interest rates); and
- The change in the fair value of the interest rate swap is expected to move inversely to the change in the fair value of the interest rate risk on the loan.

#### Provisions

Provisions are recognised when the Association has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Clyde Valley Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT – GROUP

			2024	2023
	Notes	Turnover £	Operating Costs £	Operating Surplus/(Deficit) £
Affordable letting activities	3	26,883,088	(17,491,639)	6,716,232
Other activities	4	5,513,856	(5,368,631)	(158,086)
<b>Total</b>		<b>32,396,944</b>	<b>(22,860,270)</b>	<b>6,558,146</b>
<b>Total for previous reporting period</b>		<b>27,296,720</b>	<b>(20,738,574)</b>	<b>6,558,146</b>

Clyde Valley Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT – ASSOCIATION

			2024	2023
	Notes	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3	26,883,088	(17,491,639)	9,391,449
Other activities	4	1,093,604	(1,294,635)	6,716,232
<b>Total</b>		<b>27,976,692</b>	<b>(18,786,274)</b>	<b>9,190,418</b>
<b>Total for previous reporting period</b>		<b>25,160,831</b>	<b>(18,626,525)</b>	<b>6,534,306</b>

Clyde Valley Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES – GROUP

	General Needs Social Housing £	Supported Social Housing Accommodation £	Shared Ownership Housing £	Total 2024 £	Total 2023 £
Rent receivable net of service charges	23,826,499	-	2,322	23,828,821	21,566,935
Service charges	143,195	-	-	143,195	140,485
Gross income from rents and service charges	23,969,694	-	2,322	23,972,016	21,707,420
Less voids	(123,705)	-	-	(123,705)	(248,759)
<b>Net income from rents and service charges</b>	23,845,989	-	2,322	23,848,311	21,458,661
Grants released from deferred income	3,034,280	-	497	3,034,777	2,902,989
Revenue grants from Scottish Ministers	-	-	-	-	-
Other revenue grants	-	-	-	-	-
<b>Total turnover from affordable letting activities</b>	26,880,269	-	2,819	26,883,088	24,361,650
Management and maintenance administration costs	6,523,916	-	-	6,523,916	6,092,295
Service costs	160,753	-	-	160,753	191,785
Planned and cyclical maintenance including major repairs cost	895,870	-	-	895,870	1,389,554
Reactive maintenance costs	3,031,714	-	-	3,031,714	3,029,073
Bad debts - rents and service charges	70,532	-	-	70,532	407,955
Depreciation of affordable let properties	6,807,948	-	906	6,808,853	6,534,756
Impairment of affordable let properties	-	-	-	-	-
<b>Operating Costs for affordable letting activities</b>	17,490,733	-	906	17,491,639	17,645,418
<b>Operating surplus or deficit for affordable letting activities</b>	9,389,536	-	1,913	9,391,449	6,716,232
<b>Operating surplus or deficit for affordable letting activities for previous reporting period</b>	6,714,946	-	1,286	6,716,232	

Clyde Valley Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES – ASSOCIATION

	General Needs Social Housing £	Supported Social Housing Accommodation £	Shared Ownership Housing £	Total 2024 £	Total 2023 £
Rent receivable net of service charges	23,826,499	-	2,322	23,828,821	21,566,935
Service charges	143,195	-	-	143,195	140,485
Gross income from rents and service charges	23,969,694	-	2,322	23,972,016	21,707,420
Less voids	(123,705)	-	-	(123,705)	(248,759)
<b>Net income from rents and service charges</b>	<b>23,845,989</b>	<b>-</b>	<b>2,322</b>	<b>23,848,311</b>	<b>21,458,661</b>
Grants released from deferred income	3,034,280	-	497	3,034,776	2,902,989
Revenue grants from Scottish Ministers	-	-	-	-	-
Other revenue grants	-	-	-	-	-
<b>Total turnover from affordable letting activities</b>	<b>26,880,269</b>	<b>-</b>	<b>2819</b>	<b>26,883,088</b>	<b>24,361,650</b>
Management and maintenance administration costs	6,523,916	-	-	6,523,916	6,092,295
Service costs	160,753	-	-	160,753	191,785
Planned and cyclical maintenance including major repairs costs	895,870	-	-	895,870	1,389,554
Reactive maintenance costs	3,031,714	-	-	3,031,714	3,029,073
Bad debts - rents and service charges	70,532	-	-	70,532	407,955
Depreciation of affordable let properties	6,807,948	-	906	6,808,854	6,534,756
Impairment of affordable let properties	-	-	-	-	-
<b>Operating Costs for affordable letting activities</b>	<b>17,490,733</b>	<b>-</b>	<b>906</b>	<b>17,491,639</b>	<b>17,645,418</b>
<b>Operating surplus or deficit for affordable letting activities</b>	<b>9,389,536</b>	<b>-</b>	<b>1,913</b>	<b>9,391,449</b>	<b>6,716,232</b>
<b>Operating surplus or deficit for affordable letting activities for previous reporting period</b>	<b>6,714,946</b>	<b>-</b>	<b>1,286</b>	<b>6,716,232</b>	

Clyde Valley Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the year ended 31 March 2024

4. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES – GROUP

	Grants From Scottish Ministers £	Other Revenue Grants £	Supporting People Income £	Other Income £	Total Turnover £	Operating Costs Bad debts £	Other Operating Costs £	Operating Surplus Or deficit £	Operating Surplus Or Deficit For previous Reporting Period £
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	-	-	-	-	-	-	-	-	-
Care and repair	-	-	-	-	-	-	-	-	-
Investment property activities	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	492,867	492,867	16,726	190,524	285,617	183,916
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Contracted out activities undertaken for registered social landlords	-	-	-	-	-	-	-	-	-
Contracted out services undertaken for other organisations	-	-	-	-	-	-	-	-	-
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to other organisations	-	-	-	3,560,000	3,560,000	-	3,299,767	260,233	1,433,966
Wellwynd Community	-	-	-	-	-	-	-	-	2,608
Other activities	-	-	-	1,460,989	1,460,989	-	1,861,614	(400,625)	(1,778,576)
<b>Total from other activities</b>	-	-	-	5,513,856	5,513,856	16,726	5,351,905	145,225	(158,086)
<b>Total from other activities for the previous reporting period</b>	-	-	-	2,935,070	2,935,070	(17,081)	3,110,237	(158,086)	



Clyde Valley Housing Association Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

4. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES – ASSOCIATION

	Grants From Scottish Ministers £	Other Revenue Grants £	Supporting People Income £	Other Income £	Total Turnover £	Operating Costs Bad debts £	Other Operating Costs £	Operating Surplus Or deficit £	Operating Surplus Or Deficit For previous Reporting Period £
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	-	-	-	-	-	-	-	-	-
Care and repair	-	-	-	-	-	-	-	-	-
Investment property activities	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Contracted out activities undertaken for registered social landlords	-	-	-	-	-	-	-	-	-
Contracted out services undertaken for other organisations	-	-	-	-	-	-	-	-	-
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to other organisations	-	-	-	-	-	-	-	-	-
Wellwynd Community	-	-	-	-	-	-	-	-	2,608
Other activities	-	-	-	1,093,604	1,093,604	-	1,294,635	(201,031)	(184,534)
<b>Total from other activities</b>	-	-	-	1,093,604	1,093,604	-	1,294,635	(201,031)	(181,926)
<b>Total from other activities for the previous reporting period</b>	-	-	-	799,181	799,181	-	981,107	(181,926)	

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**

**5. ACCOMMODATION IN MANAGEMENT**

	<b>Group Units Under Management</b>		<b>Association Units Under Management</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
General needs housing	4,853	4,729	4,836	4,712
Shared ownership	1	1	1	1
<b>Total units in management</b>	<b>4,854</b>	<b>4,730</b>	<b>4,837</b>	<b>4,713</b>

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>Group</b>		<b>Association</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Interest on bank deposits	282,519	236,880	282,519	236,880
Group loan interest	-	-	28,873	45,118
	<b>282,519</b>	<b>236,880</b>	<b>311,392</b>	<b>281,998</b>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>Group</b>		<b>Association</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Interest arising on:				
Bank loans and overdrafts	6,293,044	5,508,226	6,293,044	5,577,338
Amortisation of issue costs of bank loan	35,089	27,814	35,089	27,814
	<b>6,328,133</b>	<b>5,536,040</b>	<b>6,328,133</b>	<b>5,605,152</b>
Less: Interest capitalised on housing properties under construction	(695,487)	(596,203)	(695,487)	(596,203)
	<b>5,632,646</b>	<b>4,939,837</b>	<b>5,632,646</b>	<b>5,008,949</b>

Interest costs directly attributable to the financing of housing property developments were capitalised at the weighted average cost of the related borrowings (see note 10.A).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**

**8. OPERATING SURPLUS**

	<b>Group</b>		<b>Association</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating surplus is stated after charging/(crediting):				
Depreciation of housing properties	7,009,011	6,534,754	7,009,015	6,534,757
Depreciation of other tangible fixed assets (note 10.B) - Owned	143,400	156,529	143,400	156,529
Surplus on disposal of tangible fixed assets	(112,627)	264,687	(112,627)	264,687

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	<b>Group</b>		<b>Association</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Audit services – statutory audit	30,550	29,825	24,500	23,350
<i>Other services:</i>				
Taxation compliance services	7,575	6,900	5,175	4,600

**9. EMPLOYEES**

	<b>Group</b>		<b>Association</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
The average monthly number of full time equivalent persons (including key management personnel) employed by the Association during the year was:				
Office and Management/Administration	90	91	90	91
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs for the above persons:				
Wages and salaries	3,744,757	3,545,624	3,744,757	3,545,624
Social security costs	396,441	388,617	396,441	388,617
Defined contribution pension cost	341,548	313,537	341,548	313,537
	<u>4,482,746</u>	<u>4,247,778</u>	<u>4,482,746</u>	<u>4,247,778</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**

**9. EMPLOYEES (continued)**

Key Management Personnel during the period comprised of:  
 Governance – The Board of Management;  
 Strategic Direction - The Leadership Team.  
 Asset Management – Asset Manager

The number of key management personnel who received emoluments (excluding employers' pension contributions) in excess of £60,000 during the reporting period fell within the following bands:

	Group		Association	
	2024	2023	2024	2023
	No.	No.	No.	No.
£60,000 - £70,000	3	2	3	2
£70,001 - £80,000	2	-	2	-
£80,001 - £90,000	-	3	-	3
£90,001 - £100,000	1	-	1	-
£100,001 – £110,000	-	-	-	-
£110,001 - £120,000	1	-	1	-
£120,001 - £130,000	-	1	-	1

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Aggregate emoluments for all key management personnel (excluding pension contributions)	547,465	511,512	547,465	511,512
The emoluments of the highest paid member of key management personnel (excluding pension contributions)	115,740	125,927	115,740	125,927
Aggregate pension contributions in relation to the above key management personnel	49,392	46,999	49,392	46,999

Remuneration was paid to the chair, chair of Audit committee of CVHA and chair of CVPS during the year amounting to £14,000. This is allocated under consultancy fees.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**

**10.A TANGIBLE FIXED ASSETS – HOUSING PROPERTIES – GROUP**

	Social housing properties held for letting £	Housing properties for letting under construction £	Completed shared ownership housing properties £	Total housing properties £
<b>Cost</b>				
1 April 2023	393,898,138	39,364,528	195,606	433,458,272
Additions	-	11,833,257	-	11,833,257
Works to existing properties	5,446,088	-	-	5,446,088
Schemes completed	19,211,294	(19,211,185)	-	109
Disposals	(2,750,059)	-	-	(2,750,059)
31 March 2024	<u>415,805,461</u>	<u>31,986,600</u>	<u>195,606</u>	<u>447,987,667</u>
<b>Depreciation and impairment</b>				
1 April 2023	59,961,836	-	51,464	60,013,300
Depreciation charged in year	6,808,548	-	905	6,809,453
Released on disposal	(1,096,969)	-	-	(1,096,969)
31 March 2024	<u>65,673,415</u>	<u>-</u>	<u>52,369</u>	<u>65,725,784</u>
<b>Net book value</b>				
31 March 2024	<u>350,132,046</u>	<u>31,986,600</u>	<u>143,237</u>	<u>382,261,883</u>
31 March 2023	<u>333,936,302</u>	<u>39,364,528</u>	<u>144,141</u>	<u>373,444,971</u>

## EXPENDITURE ON WORKS TO EXISTING PROPERTIES

	2024 £	2023 £
Replacement component spend capitalised	5,446,088	1,368,200
Amounts charged to income and expenditure	768,413	1,249,999
Total major repairs spend	<u>6,214,501</u>	<u>2,618,199</u>

## FINANCE COSTS

	2024 £	2023 £
Aggregate amount of finance costs included in the cost of housing properties	<u>3,486,538</u>	<u>2,791,051</u>

The cost of land Included above was £55,172,698 (2023 £51,394,919)

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**

**10.A TANGIBLE FIXED ASSETS – HOUSING PROPERTIES - ASSOCIATION**

	Social housing properties held for letting £	Housing properties for letting under construction £	Completed shared ownership housing properties £	Total housing properties £
<b>Cost</b>				
1 April 2023	394,114,558	39,364,527	195,605	433,674,690
Additions	-	11,833,257	-	11,833,257
Works to existing properties	5,446,088	-	-	5,446,088
Schemes completed	19,211,294	(19,210,799)	-	495
Disposals	(2,750,059)	-	-	(2,750,059)
31 March 2024	<u>416,021,881</u>	<u>31,986,985</u>	<u>195,605</u>	<u>448,204,471</u>
<b>Depreciation and impairment</b>				
1 April 2023	59,961,835	-	51,465	60,013,300
Depreciation charged in year	6,808,552	-	905	6,809,457
Released on disposal	(1,096,969)	-	-	(1,096,969)
31 March 2024	<u>65,673,418</u>	<u>-</u>	<u>52,370</u>	<u>65,725,788</u>
<b>Net book value</b>				
31 March 2024	<u>350,348,463</u>	<u>31,986,985</u>	<u>143,235</u>	<u>382,478,683</u>
31 March 2023	<u>334,152,723</u>	<u>39,364,527</u>	<u>144,141</u>	<u>373,661,391</u>

## EXPENDITURE ON WORKS TO EXISTING PROPERTIES

	2024 £	2023 £
Replacement component spend capitalised	5,446,088	1,368,200
Amounts charged to income and expenditure	768,413	1,249,999
Total major repairs spend	<u>6,214,501</u>	<u>2,618,199</u>

## FINANCE COSTS

	2024 £	2023 £
Aggregate amount of finance costs included in the cost of housing properties	<u>3,486,538</u>	<u>2,791,051</u>

Clyde Valley Housing Association Limited considers individual schemes to be separate cash generating units when assessing for impairment, in accordance with SORP 2018.

The cost of land Included above was £55,172,698 (2023 £51,394,919).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**
**10.B TANGIBLE FIXED ASSETS – OTHER – GROUP**

	Land and Buildings	Office Equipment	Plant and Other Equipment	Computer Equipment	Total
<b>Cost</b>					
1 April 2023	4,599,168	276,663	16,202	984,526	5,876,559
Additions	-	1,065	-	25,611	26,675
Disposals	-	(23,818)	-	-	(23,818)
31 March 2024	<u>4,599,168</u>	<u>253,910</u>	<u>16,202</u>	<u>1,010,137</u>	<u>5,879,417</u>
1 April 2023	994,389	272,433	14,631	871,698	2,153,151
Depreciation charged in year	71,263	3,031	449	68,657	143,400
Released on disposal	-	(23,818)	-	-	(23,818)
31 March 2024	<u>1,065,652</u>	<u>251,646</u>	<u>15,080</u>	<u>940,354</u>	<u>2,272,733</u>
31 March 2024	<u>3,533,516</u>	<u>2,264</u>	<u>1,121</u>	<u>69,783</u>	<u>3,606,684</u>
31 March 2023	<u>3,604,779</u>	<u>4,230</u>	<u>1,571</u>	<u>112,828</u>	<u>3,723,408</u>

**10.B TANGIBLE FIXED ASSETS – OTHER - ASSOCIATION**

	Land and Buildings £	Office Equipment £	Plant and Other Equipment £	Computer Equipment £	Total £
<b>Cost</b>					
1 April 2023	4,599,168	276,663	16,202	984,526	5,876,559
Additions	-	1,065	-	25,611	26,675
Disposals	-	(23,818)	-	-	(23,818)
31 March 2024	<u>4,599,168</u>	<u>253,910</u>	<u>16,202</u>	<u>1,010,137</u>	<u>5,879,417</u>
1 April 2023	994,389	272,433	14,631	871,698	2,153,151
Depreciation charged in year	71,263	3,031	449	68,657	143,400
Released on disposal	-	(23,818)	-	-	(23,818)
31 March 2024	<u>1,065,652</u>	<u>251,646</u>	<u>15,080</u>	<u>940,354</u>	<u>2,272,733</u>
31 March 2024	<u>3,533,516</u>	<u>2,264</u>	<u>1,121</u>	<u>69,783</u>	<u>3,606,684</u>
31 March 2023	<u>3,604,779</u>	<u>4,230</u>	<u>1,571</u>	<u>112,828</u>	<u>3,723,408</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**

**11. INVESTMENT PROPERTIES – GROUP**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
At 1st April	2,202,062	2,174,030
Additions	2,640	24,032
Increase in value	33,298	4,000
At 31 March	<u>2,238,000</u>	<u>2,202,062</u>

Investment properties were valued as at 31 March 2024 by Allied Surveyors Scotland Chartered Surveys, Whyte & Barrie First Surveyors Scotland and DM Hall LLP Chartered Surveyors. The valuation of the Association’s properties was carried out in accordance with the Royal Institution of Chartered Surveyors (“RICS”) Appraisal and Valuation Manual. A report has been provided for each property that has been valued by the Surveyors.

**12. FIXED ASSET INVESTMENTS**

	<b>Group</b>		<b>Association</b>	
	<b>Shares in trade investments</b>	<b>Total</b>	<b>Shares in trade investments</b>	<b>Total</b>
<b>Cost or valuation:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
1 April 2023	3,198,124	3,198,124	3,198,124	3,198,124
Additions	67,770	67,770	67,770	67,770
31 March 2024	<u>3,265,894</u>	<u>3,265,894</u>	<u>3,265,894</u>	<u>3,265,894</u>

Clyde Valley Housing Association Ltd owns 2,000,002 ordinary £1 shares in Innov8 Housing Solutions Ltd. This represents a 42% shareholding in Innov8 Housing Solutions Ltd, a company registered in Scotland, whose principal activity is that of provision of rented residential accommodation at intermediate market levels. Under FRS 102, Clyde Valley Housing Association Ltd must recognise a share of the associate company’s profit or loss in proportion to this shareholding and the addition relates to the Association’s 42% share of the associate company for the year. However, under the terms of the shareholders’ agreement the Association’s ultimate return may differ from 42% at the end of the agreement.

<b>13. INVESTMENTS</b>	<b>Group</b>		<b>Association</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investment in subsidiary undertaking	-	-	1	1

Clyde Valley Housing Association Ltd owns 1 ordinary £1 share in Clyde Valley Property Services Ltd. This represents a 100% shareholding in Clyde Valley Property Services Ltd, a company registered at 50 Scott Street, Motherwell, ML1 1PN, whose principal activity is that of provision of factoring property services to owners. As at 31 March 2023, the capital and reserves of Clyde Valley Property Services were £2,414,586 (2023 £2,082,907) with a gain for the year of £331,680 (2023 loss £86,397).

The Clyde Valley Group also has 4 dormant subsidiaries namely Avant Letting Services, Clyde Valley Group Limited, Gravity Consultant Services Limited and Nova Property Management Services Limited all registered at 50 Scott Street, Motherwell, ML1 1PN.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**

**14. INTANGIBLES**

	Total £
Valuation	
At 1 April 2023 and 31 March 2024	60,000
Amortisation	
At 1 April 2023	(12,000)
Charge for year	(12,000)
At 31 March 2024	<u>(24,000)</u>
Net book value	
At 31 March 2024	<u>36,000</u>
At 31 March 2023	<u>48,000</u>

On the 1<sup>st</sup> July 2021, CVPS purchased a customer list from Love Homes (Motherwell) Ltd and amortisation of the asset will be over 5 years.

**15. WORK IN PROGRESS AND PROPERTIES HELD FOR SALE**

	Group		Association	
	2024 £	2023 £	2024 £	2023 £
Work in progress	412,826	3,543,788	-	-
Incomplete renovation contracts	96,101	2,413,768	96,101	2,413,768
	<u>508,927</u>	<u>5,957,556</u>	<u>96,101</u>	<u>2,413,768</u>

**16. DEBTORS**

Amounts falling due within one year:	Group		Association	
	2024 £	2023 £	2024 £	2023 £
Rent and service charges receivable	1,418,689	1,767,891	1,418,689	1,767,891
Less: provision for bad and doubtful debts	(875,212)	(1,070,918)	(875,212)	(1,070,918)
	543,477	696,973	543,477	696,973
Other debtors	1,215,593	692,152	712,684	226,307
Prepayments and accrued income	700,730	635,481	671,869	634,860
Amounts due from Group undertakings	-	-	479,337	3,875,203
	<u>2,459,800</u>	<u>2,024,606</u>	<u>2,407,367</u>	<u>5,433,343</u>

Debtors ageing for amounts owed from Group undertakings:

	2024 £	2023 £
Amounts due within 1 year	479,337	3,815,203

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**

Amounts due within 1 to 2 years	-	60,000
	<u>479,337</u>	<u>3,875,203</u>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Debt (note 20)	3,200,000	3,200,000	3,200,000	3,200,000
Rent and service charges received in advance	897,518	612,679	717,547	612,679
Deferred capital grants (note 19)	2,981,627	2,999,464	2,981,627	2,999,464
Trade creditors	128,392	643,066	122,969	642,973
Other Tax and Social Security	59,610	(2)	-	-
Other creditors	1,516,706	103,906	554,421	(828)
Accruals and deferred income	3,750,029	5,137,972	4,381,820	4,975,693
	<u>12,533,882</u>	<u>12,697,085</u>	<u>11,958,384</u>	<u>12,429,981</u>

**18. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	Group		Association	
	2024	2023	2024	2023
	£	£	£	£
Debt (note 20)	129,967,872	133,232,783	129,967,872	133,232,783
Deferred capital grant (note 19)	205,732,260	206,963,032	205,732,260	206,963,032
Retentions	450,734	879,849	450,734	812,890
Interest Rate SWAPS	1,034,334	1,457,191	1,034,334	1,457,191
Other Creditors	2,423,115	2,422,872	2,423,118	2,422,986
Pension Deficit	924,000	362,000	924,000	362,000
	<u>340,532,315</u>	<u>345,317,727</u>	<u>340,532,318</u>	<u>345,250,882</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**

**19. DEFERRED CAPITAL GRANT GROUP AND ASSOCIATION**

<b>Social Housing only</b>	<b>Housing Properties Held for letting £</b>	<b>Housing Properties Course of Construction £</b>	<b>Shared Ownership Properties Held for letting £</b>	<b>Total Social Housing £</b>
<b>Gross Grant Creditor</b>				
At 31st March 2023	214,018,176	24,074,113	115,618	238,207,907
Transfers	9,317,704	(9,080,560)	-	237,144
Grant Received in the year 2023/24	-	1,560,534	-	1,560,534
On Disposals 2023/24	(11,380)	-	-	(11,380)
<b>Gross Grant Creditor as at 31st March 2024</b>	<b>223,324,500</b>	<b>16,554,087</b>	<b>115,618</b>	<b>239,994,205</b>
<b>Amortisation</b>				
At 1st April 2023	(28,193,290)	-	(52,252)	(28,245,542)
Amortisation in the year	(3,034,280)	-	(496)	(3,034,776)
<b>Total Amortisation as at 31st March 2024</b>	<b>(31,227,570)</b>	<b>-</b>	<b>(52,748)</b>	<b>(31,280,318)</b>
<b>Net Grant Creditor</b>				
As at 31st March 2024	192,096,930	16,554,087	62,870	208,713,887
As at 1st April 2023	185,824,886	24,074,113	63,366	209,962,496
Deferred Capital Grant due within 1 year				2,981,627
Deferred Capital Grant due after 1 year				205,732,260
Total deferred Capital Grant due				<u>2,087,13,887</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**

**20. DEBT ANALYSIS – BORROWINGS**

	<b>Group</b>		<b>Association</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Creditors: amounts falling due within one year:				
Bank loans	3,200,000	3,200,000	3,200,000	3,200,000
Creditors: amounts falling due after more than one year:				
Bank loans	130,420,872	133,620,000	130,420,872	133,620,000
Private Placement fees paid	(552,128)	(387,217)	(552,128)	(387,217)
<b>Total</b>	<b>133,068,744</b>	<b>136,432,783</b>	<b>133,068,744</b>	<b>136,432,783</b>

Borrowings are denominated and repaid in pounds sterling, have contractual interest rates that are either fixed rates or variable rates linked to SONIA that are not leveraged, and do not contain conditional returns or repayment provisions other than to protect the lender against credit deterioration or changes in relevant legislation or taxation.

Bank Borrowings of £133,620,847 (2023: £136,820,000) are secured against the Association's housing properties.

Bank Borrowings of £5,000,000 bear average fixed-rate coupons of 5.08% per annum (2023: 5.08%). Bank Borrowings of £58,620,000 bear average variable-rate coupons of 0.75% above SONIA (2023: 0.75%). Bank Borrowings of £70,000,000 bear average fixed rate coupons of 3.51%.

Variable rate borrowings are underpinned by financial hedging instruments as outlined in note 21.

Bank borrowings are part of a £146m facility with a repayment schedule in place up to 2048 and are subject to review annually as part of the Groups Business Planning Process.

The private placement fees are in respect of the borrowings which were drawn down by the Association in June 2018 and October 2020.

	<b>Group</b>		<b>Association</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Due within one year	3,200,000	3,200,000	3,200,000	3,200,000
Due in one year or more but less than two years	8,738,800	3,200,000	8,738,800	3,200,000
Due between two and five years	15,010,400	11,540,000	15,010,400	11,540,000
Due more than five years	106,118,672	118,880,000	106,118,672	118,880,000
	<b>133,067,872</b>	<b>136,820,000</b>	<b>133,067,872</b>	<b>136,820,000</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**

**21. FINANCIAL INSTRUMENTS**

	<b>Group</b>		<b>Association</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Financial liabilities: Measured at fair value through income and expenditure				
- Other financial liabilities	1,034,334	1,457,191	1,034,334	1,457,191

In order to manage interest rate risk, the Association has entered into the following hedging instruments, which are in place as at 31<sup>st</sup> March 2024.

On 19<sup>th</sup> August 2003, an extendible fixed rate arrangement with Barclays Bank for £4 million at a rate of 4.26%. The arrangement commenced on 15 July 2006 for a 5-year term and was extendible for a further 15 years on 15 July 2011. However, the option for the bank not to extend this arrangement was bought out by CVHA on 24<sup>th</sup> May 2010 at a cost of £152,500 to be amortised in the accounts over the period until July 2026 so this instrument is now a non-callable fix.

On 11<sup>th</sup> October 2007, a callable SWAP agreement with Barclays Bank for £5 million at a rate of 4.23%. The arrangement commenced on 15 October 2007 for a 30-year term however has an optional termination date of 15 October 2008 and thereafter quarterly if not called at that date.

On 5<sup>th</sup> February 2008, a callable SWAP agreement with Bank of Scotland for £5 million at a rate of 4.42%. The arrangement commenced on 15 April 2008 for a 20-year term however had an optional termination date of 15 April 2013 which was not taken up by the bank so this SWAP is now fixed.

On 2<sup>nd</sup> May 2008, a SWAP agreement with Barclays Bank for £12.5 million at a rate of 4.94%. The arrangement commenced on 15 July 2008 for a 25-year term. This arrangement replaced an interest rate SWAP agreement with the Clydesdale Bank for £7.450m and an interest rate cap from Barclays Bank for £5 million, which matured on 15 July 2008.

On 13<sup>th</sup> May 2008, a callable SWAP agreement with Bank of Scotland for £6.2 million at a rate of 5.24%. This SWAP stepped up in value to £9.7m on 15<sup>th</sup> July 2010 to replace a cap and collar arrangement for £3.5m with LTSB, which expired on that date. The arrangement commenced on 15 July 2008 for a 20-year term however has an optional termination date of 15 July 2018 and thereafter quarterly if not called at that date.

On 20<sup>th</sup> August 2010 a forward fixed SWAP agreement with Barclays Bank for £5 million at a rate of 4.48% commencing on 15<sup>th</sup> July 2015 and expiring on 15<sup>th</sup> July 2025.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**

**22. SHARE CAPITAL**

The Association is limited by guarantee and consequently has no share capital. Each of the Association's members agrees to contribute £1 in the event of the Association winding up.

	<b>Group</b>		<b>Association</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Number of members				
1 April 2022	66	68	66	68
Joined during the year	3	8	3	8
Left during year	(7)	(10)	(7)	(10)
31 March 2023	<u>62</u>	<u>66</u>	<u>62</u>	<u>66</u>

**23. RECONCILIATION OF SURPLUS TO NET CASH GENERATED FROM OPERATIONS – GROUP**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Surplus for the year	9,536,672	6,558,146
Depreciation of tangible fixed assets	6,952,244	6,703,283
Fair value gain on investment properties	33,298	54,548
Amortisation of Grants	(3,034,776)	(2,902,988)
(Gain)/Loss on disposal of tangible fixed assets	112,627	(264,687)
<b>Operating cash flows before movements in working capital</b>	<u>13,600,065</u>	<u>10,148,302</u>
Decrease/(Increase) in stock	5,448,630	(2,513,087)
Decrease/(Increase) in trade and other debtors	(359,035)	441,942
(Decrease)/Increase in trade and other creditors	(1,136,360)	1,122,492
<b>Cash generated from operations</b>	<u>17,553,300</u>	<u>9,199,649</u>

**Cash and Cash Equivalents (Group)**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Cash and Cash Equivalents represent:-		
Cash at Bank	1,896,425	6,647,498
	<u>1,896,425</u>	<u>6,647,498</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**

**24. RECONCILIATION OF SURPLUS TO NET CASH GENERATED FROM OPERATIONS – ASSOCIATION**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Surplus for the year	9,190,421	6,534,306
Depreciation of tangible fixed assets	6,952,244	6,691,283
Fair value gains on investment properties	-	54,548
Amortisation of Grants	(3,034,776)	(2,902,988)
(Gain)/Loss on disposal of tangible fixed assets	112,627	(264,687)
<b>Operating cash flows before movements in working capital</b>	<u>13,220,516</u>	<u>10,112,462</u>
Decrease/(increase) in stock	2,317,667	(834,661)
(Increase)/Decrease in trade and other debtors	3,102,135	(1,184,445)
Increase/(decrease) in trade and other creditors	(1,297,497)	1,157,677
<b>Cash generated from operations</b>	<u><u>17,342,821</u></u>	<u><u>9,251,033</u></u>

**Cash and Cash Equivalents (Association)**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Cash at Bank	1,688,159	6,618,083
	<u><u>1,688,159</u></u>	<u><u>6,618,083</u></u>

**25. CAPITAL COMMITMENTS AND OTHER CONTRACTUAL OBLIGATIONS**

	<b>Group</b>		<b>Association</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Capital expenditure contracted for but not provided in the financial statements	<u>5,749,909</u>	<u>12,108,852</u>	<u>5,749,909</u>	<u>11,952,516</u>

The above commitments will be funded through private finance facilities and grant which are currently in place.

**26. RETIREMENT BENEFITS**

From 1<sup>st</sup> April 2014 the Association has participated in the Scottish Housing Associations pension scheme (the scheme) a multi-employer scheme which provides benefits to some 150 non-associated employers. The scheme is a defined benefits scheme in the UK

The assets of the scheme are held separately from those of the Association in an independently administered fund.

No other post-retirement benefits are provided. The scheme is a fully funded scheme.

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A recovery plan has been put in place to eliminate the deficit which runs to March 2023 for many employers, although certain employers have different arrangements.

For accounting purposes, two actuarial valuations for the scheme were carried out with effective dates of 31 March 2019 and 30 September 2019. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are in used in conjunction with the Association's fair share of the scheme's total assets to calculate the Association's net deficit or surplus at the accounting period start and end dates.

Under the defined benefit pension accounting approach, the SHAPS net deficit as at 1 April 2024 was £362,000 as at 31 March 2024 £924,000.

The Association has been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over recent years. The Trustee has been advised to seek clarification from the Court on potential changes to the pension liability. This process is ongoing, and the Association understands that the matter is unlikely to be resolved by quarter 2 of 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until the outcome of the Court process is known, it is not possible to calculate the impact on the liabilities of this issue, particularly on an individual employer basis, with any accuracy for the purposes of the 31 March 2024 financial statements. Accordingly, no adjustment has been made in these financial statements in respect of this potential issue. If we were to withdraw from this scheme, the liability due would be £2,447,033.



26. RETIREMENT BENEFITS (continued)

FAIR VALUE OF PLAN ASSETS, PRESENT VALUE OF DEFINED  
BENEFIT OBLIGATION, AND DEFINED BENEFIT ASSET  
(LIABILITY)

	31 March 2024	31 March 2023
	(£000s)	(£000s)
Fair value of plan assets	6,828	7,219
Present value of defined benefit obligation	7,752	7,581
Surplus (deficit) in plan	(924)	(362)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(924)	(362)
Deferred tax	*	*
Net defined benefit asset (liability) to be recognised	*	*

\* to be completed by the employer if required

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	Period from 31 March 2023 to 31 March 2024 (£000s)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

RECONCILIATION OF OPENING AND CLOSING BALANCES OF  
THE DEFINED BENEFIT OBLIGATION

	Period from 31 March 2023 to 31 March 2024 (£000s)
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**

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Defined benefit obligation at start of period	7,581
Current service cost	-
Expenses	10
Interest expense	364
Member contributions	-
Actuarial losses (gains) due to scheme experience	115
Actuarial losses (gains) due to changes in demographic assumptions	(47)
Actuarial losses (gains) due to changes in financial assumptions	(62)
Benefits paid and expenses	(209)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	7,752

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

	Period from 31 March 2023 to 31 March 2024 (£000s)
Fair value of plan assets at start of period	7,219
Interest income	347
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(539)
Employer contributions	10
Member contributions	-
Benefits paid and expenses	(209)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	6,828

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was (£192,000).

**DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCl)**

	Period from 31 March 2023 to 31 March 2024 (£000s)
Current service cost	-
Expenses	10
Net interest expense	17
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in Statement of Comprehensive Income (SoCl)	27

**DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)**

	Period from 31 March 2023 to 31 March 2024 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(539)
Experience gains and losses arising on the plan liabilities - gain (loss)	(115)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	47
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	62
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(545)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2024**

Total amount recognised in Other Comprehensive Income - gain (loss) (545)

**ASSETS**

	31 March 2024	31 March 2023
	(£000s)	(£000s)
Global Equity	785	191
Absolute Return	307	98
Distressed Opportunities	251	222
Credit Relative Value	240	275
Alternative Risk Premia	246	42
Emerging Markets Debt	120	56
Risk Sharing	410	526
Insurance-Linked Securities	42	201
Property	289	301
Infrastructure	654	778
Private Equity	5	-
Private Debt	275	322
Opportunistic Illiquid Credit	272	319
High Yield	1	37
Opportunistic Credit	-	-
Cash	177	30
Corporate Bond Fund	-	9
Liquid Credit	-	-
Long Lease Property	51	242
Secured Income	228	483
Liability Driven Investment	2,470	3,057
Currency Hedging	(3)	14
Net Current Assets	8	16
<b>Total assets</b>	<b>6,828</b>	<b>7,219</b>

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

## KEY ASSUMPTIONS

	31 March 2024	31 March 2023
	% per annum	% per annum
Discount Rate	4.91%	4.86%
Inflation (RPI)	3.14%	3.19%
Inflation (CPI)	2.78%	2.77%
Salary Growth	3.78%	3.77%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 (Years)
Male retiring in 2024	20.2
Female retiring in 2024	22.7
Male retiring in 2044	21.4
Female retiring in 2044	24.1

## 27. RELATED PARTY TRANSACTIONS

Members of the Board are related parties of the Association as defined by FRS102. The related party relationships of the members of the Board is summarised as:

Those members that are tenants of the Association have tenancies that are on the Associations normal tenancy terms, and they cannot use their positions to their advantage.

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

1 tenant is on our Board.

Remuneration was paid to the chair, chair of Audit committee of CVHA and chair of CVPS during the year amounting to £14,000. This is allocated under consultancy fees.

£7,077 was paid to a supplier with common control. The amount was fully paid during the year and there is no amount outstanding at the balance sheet date (2023: £nil).

Innov8 housing solutions is a 42% owned Joint Venture of Clyde Valley Housing Association. During the year, CVHA sold goods and services, in the normal course of business activities, to Innov8 Housing Solutions Limited, amounting to £19,844 (2023: £19,704).

The Association has taken advantage of the FRS102 exemption from disclosure of transactions with its wholly owned subsidiary Clyde Valley Property Services Limited.