



Alexander Sloan
Accountants and Business Advisers

Clydesdale Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2020

Registered Social Landlord No. HAL93

FCA Reference No. 2237R(S)

Scottish Charity No. SC034228

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Contents

	Page
Members of the Management Committee, Executives and Advisers	1
Report of the Management Committee	2 - 7
Report by the Auditors on corporate governance matters	8
Report of the Auditors	9
Statement of comprehensive income	11
Statement of financial position	12
Statement of cash flows	13
Statement of changes in equity	14
Notes to the financial statements	15 - 33

CLYDESDALE HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS YEAR ENDED 31 MARCH 2020

Management Committee

Pauline Sandford	Chairperson
Maggie Botham	Vice Chairperson
Carmena Nixon	Secretary
Susanne Crayton	Treasurer
Patrick Ross Taylor	Resigned 25 September 2019
Catherine McClymont	Council Representative (South Lanarkshire Council)
Clive Mains	Resigned 4 September 2019
Jeanette Arniel	Resigned 25 September 2019
Christine Shookhye	
Brian Moore	
Mary Clarke	
David Robb	Resigned 25 September 2019
Hazel Galbraith	
Ruth McElhinney	
Brian McNally	
Kenneth Greenshields	Appointed 29 January 2020
Diana MacLean	Appointed 29 January 2020
John Malone	Appointed 29 January 2020
Jacquelin McCutcheon	Appointed 29 January 2020

EXECUTIVE OFFICERS

Joe Gorman	Chief Executive
Jane Guthrie	Deputy Chief Executive
Eileen Wilson	Finance Manager
Vicky Rogers	Technical Services Manager

REGISTERED OFFICE

39 North Vennel
Lanark
ML11 7PT

EXTERNAL AUDITORS

Alexander Sloan
Accountants and Business Advisers
180 St Vincent Street
Glasgow
G2 5SG

INTERNAL AUDITORS

Wylie & Bisset
168 Bath Street
Glasgow
G2 4TP

BANKERS

Royal Bank of Scotland
88 High Street
Lanark
ML11 7ET

SOLICITOR

T.C. Young
7 West George Street
Glasgow
G2 1BA

SOLICITORS

Davidson & Shirley
11 Hope Street
Lanark
ML11 7ND

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

The Management Committee presents its report and the Financial Statements for the year ended 31 March 2020.

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No.2237R(S)), the Scottish Housing Regulator as a registered social landlord (No.HAL93) and as a registered Scottish Charity with the charity number SC034228.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation.

Review of Business and Future Developments

Like the rest of society, the Association has been significantly affected by the Coronavirus outbreak. Since mid-March 2020, reactive repairs, allocations, planned maintenance, cyclical maintenance and estate management services were largely suspended in accordance with Government guidance. The partial removal of some restrictions in July 2020 have enabled the organisation to implement a route map for the reinstatement of these services.

Activity over 2019/2020 up to the Coronavirus outbreak was very productive.

In February 2020, the Association moved to its new office accommodation in Lanark and established the CHA Community Hub as a venue resource for local people, groups and agencies to use for the furtherance of wellbeing in the Clydesdale area – this work was supported by funding provided by Lanarkshire Leader, The Renewable Energy Fund and FCC Communities Foundation. Four high demand flats for social renting were also delivered as part of this project, with funding support through the Scottish Government.

Work to deliver the 2019/2022 Business Plan objectives also saw good progress over 2019/2020 which focused on the strategic themes of:

- good governance and regulatory compliance;
- financial viability and value for money;
- controlled growth;
- maintaining the quality of housing stock and improving energy efficiency;
- widening community engagement.

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

Review of Business and Future Developments (Continued)

The Association built upon what was already good governance structures and practices over the 12 month period through:

- further enhancements to governance processes and documentation;
- the submission of an annual assurance statement to the Scottish Housing Regulator confirming full compliance with the new Regulatory Framework;
- the open recruitment of a further four new Committee members selected to strengthen the skills, knowledge, diversity and objectivity the Management Committee;
- work to identify and develop future office bearers;
- an annual review of the performance of the Committee and identification of learning and development needs;
- the delivery of a learning and development programme to Committee members;
- completion of the first year of the Association's three year internal audit plan.

The members of the Management Committee are of the opinion that the state of affairs of the Association is satisfactory. Turnover in the financial year to 31 March 2020 was £3,853,982 and slightly up on the previous year (2019 - £3,772,068) and the operating surplus of £961,704 represented an increase on the previous year (2019 - £912,500). The Association continues to monitor financial forecasts and incorporate these into long term financial planning, including the possible effects of Brexit and the Coronavirus.

The Association's Housing Management Team have continued to support tenants affected by the implementation of Universal Credit and work to mitigate the financial impact of this to organisational income levels remains a priority.

Whereas the Association will assess the viability of further new housing development opportunities, investment in future projects will only take place following a thorough risk assessment and where there will be no detriment to the ongoing management and maintenance of existing housing stock.

The Association continues to support South Lanarkshire Council in alleviating homelessness by providing up to 35% of its lets to urgent homeless applicants. This can be a difficult target to achieve because of the rural nature of stock; we let just over 24% of all lets to homeless applicants, a total of 14 out of 59 lets.

The Association continued to improve the quality of housing stock through the annual investment programme which delivered:

- window replacements in 44 homes;
- door replacements to 22 homes
- full central heating systems to 10 properties
- cyclical gas safety and electrical safety inspections to relevant homes;
- servicing of hot water cylinders to relevant homes
- annual gutter cleaning to all properties.

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

Review of Business and Future Developments (Continued)

Over 2019/20 the Association carried out a stock condition survey of 303 homes. The information obtained from this survey enables the Association to monitor the condition of the homes we provide and is vital to preparing assumptions on future investment levels that will be required to maintain homes to a high standard. Detailed stock condition information is now held on 508 of our homes – this represents 68.46% of the Association's overall housing stock. Our target is to increase this to 100% by 2022.

The Association continues to work towards the Scottish Government's targets for energy efficiency, however, the ability to meet the December 2020 deadline has been hampered by the Coronavirus restrictions. The Association is currently working with contractors to ensure that planned investment in new heating and insulation will be progressed as soon and as safely as possible. Work to meet the new fire safety standards is also in hand.

Tenant involvement in the running of the Association is a vital part of delivering on the services that tenants value. Work to support tenant participation has continued through ongoing support and co-operation with the Clydesdale Tenants' and Residents' Group. In addition to this, the Association's Tenant Scrutiny Panel has reviewed policies and procedures on Customer Care. The Association also developed a Stakeholder Communication Strategy last year in order to enhance engagement with its stakeholders.

In 2019 the Association commissioned an independent customer satisfaction survey on their behalf. A total of 443 face to face interviews were carried out with tenants in order to assess satisfaction with the Association and the services it provides. Results showed an improvement in satisfaction across all key areas since the last survey completed in 2016:

Scottish Housing Regulator indicators				
	2013	2016	2019	Trend
Satisfaction with the overall service provided by Clydesdale Housing Association.	79%	92%	94%	2%
Satisfaction with being kept informed about services and decisions.	84%	97%	99%	2%
Satisfaction with the opportunities given to participate in Clydesdale's decision making process.	72%	91%	99%	8%
Satisfaction with the quality of tenants' homes.	77%	84%	88%	4%
Satisfaction with value for money when comparing rent charges with the accommodation and services provided.	63%	83%	91%	8%
Satisfaction with the management of neighbourhoods.	81%	90%	97%	7%

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

Management Committee and Executive Officers

The members of the Management Committee and the Executive Officers are listed on Page 1.

Each member of the Management Committee holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Management Committee.

The members of the Management Committee are also Trustees of the charity. Members of the Management Committee are appointed by the members at the Association's Annual General Meeting.

Statement of Management Committee's Responsibilities

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

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

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019. It is responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

Going Concern

Based on its budgetary and forecasting processes the Management Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future; therefore, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

Statement on Internal Financial Control

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

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

It is the Management Committee's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Association's systems include ensuring that:

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

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2020. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Donations

During the year the Association made charitable donations amounting to £625 (2019 - £464).

Disclosure of Information to the Auditor

The members of the Management Committee 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 auditors.

Auditors

A resolution to reappoint the Auditors, Alexander Sloan, Accountants and Business Advisers, will be proposed at the Annual General Meeting.

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

By order of the Management Committee

CARMENA NIXON

Secretary

26 August 2020



CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE MEMBERS OF CLYDESDALE HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on page 6 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 6 has provided the disclosures required by the relevant Regulatory Standards with the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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



ALEXANDER SLOAN

Accountants and Business Advisers
Statutory Auditors
GLASGOW
26 August 2020



Alexander Sloan
Accountants and Business Advisers

CLYDESDALE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLYDESDALE HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Clydesdale Housing Association Limited (the 'Association') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2020 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Management Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Management Committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

CLYDESDALE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLYDESDALE HOUSING ASSOCIATION LIMITED (Continued)

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:

- proper books of account have not been kept by the Association in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation;
- the Statement of Comprehensive Income and Statement of Financial Position 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 Management Committee

As explained more fully in the Statement of Management Committee's Responsibilities as set out on page 5, the Management Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee 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 Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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.



ALEXANDER SLOAN

Accountants and Business Advisers
Statutory Auditors
GLASGOW
26 August 2020



Alexander Sloan
Accountants and Business Advisers

CLYDESDALE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020	2019
		£	£
Revenue	2	3,853,982	3,772,068
Operating costs	2	2,892,278	2,859,568
OPERATING SURPLUS		961,704	912,500
Interest receivable and other income		9,295	8,823
Interest payable and similar charges	7	(80,565)	(83,184)
Other Finance income/(charges)	10	(14,000)	(13,000)
		(85,270)	(87,361)
SURPLUS FOR THE YEAR		876,434	825,139
Other comprehensive income			
Adjustment relating to opening pension liability	17	-	(164,285)
Actuarial gains/(losses) on defined benefit pension plan	17	481,000	(139,000)
TOTAL COMPREHENSIVE INCOME		1,357,434	521,854

The results relate wholly to continuing activities.

The notes on pages 15 to 33 form an integral part of these financial statements.

CLYDESDALE HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
NON-CURRENT ASSETS					
Housing properties - depreciated cost	11		29,446,889		29,928,718
Other tangible assets	11		1,131,832		416,094
			<u>30,578,721</u>		<u>30,344,812</u>
CURRENT ASSETS					
Receivables	12	228,658		226,623	
Cash and cash equivalents	13	3,273,200		3,519,107	
		<u>3,501,858</u>		<u>3,745,730</u>	
CREDITORS: Amounts falling due within one year	14	<u>(715,381)</u>		<u>(924,570)</u>	
NET CURRENT ASSETS			<u>2,786,477</u>		<u>2,821,160</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			33,365,198		33,165,972
CREDITORS: Amounts falling due after more than one year	15		(3,790,738)		(3,704,978)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	17	<u>(61,000)</u>		<u>(630,000)</u>	
			(61,000)		(630,000)
DEFERRED INCOME					
Social housing grants	18	(16,014,174)		(16,677,654)	
Other grants	18	<u>(297,572)</u>		<u>(309,058)</u>	
			<u>(16,311,746)</u>		<u>(16,986,712)</u>
NET ASSETS			<u>13,201,714</u>		<u>11,844,282</u>
EQUITY					
Share capital	19		119		121
Revenue reserves			13,262,595		12,474,161
Pension reserves			<u>(61,000)</u>		<u>(630,000)</u>
			<u>13,201,714</u>		<u>11,844,282</u>

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 26 August 2020.



Chairperson



Treasurer



Secretary

The notes on pages 15 to 33 form an integral part of these financial statements.

CLYDESDALE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Surplus for the Year			876,434		825,139
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets	11	973,969		935,579	
Amortisation of capital grants	18	(634,830)		(649,477)	
Gain on disposal of tangible fixed assets		(1,627)		25,163	
Non-cash adjustments to pension provisions		(88,000)		(104,000)	
Share capital written off	19	(9)		(14)	
			249,503		207,251
Interest receivable			(9,295)		(8,823)
Interest payable	7		80,565		83,184
Operating cash flows before movements in working capital			1,197,207		1,106,751
Change in debtors		(2,035)		(40,390)	
Change in creditors		(299,995)		34,204	
			(302,030)		(6,186)
Net cash inflow from operating activities			895,177		1,100,565
Investing Activities					
Acquisition and construction of properties		(708,421)		(1,767,939)	
Purchase of other fixed assets		(729,966)		(412,672)	
Social housing grant received		150,600		209,400	
Net book value of component replacements		38,146		11,424	
Proceeds on disposal of other tangible assets		3,254		-	
Net cash outflow from investing activities			(1,246,387)		(1,959,787)
Financing Activities					
Loan Advances Received		402,942		-	
Interest received on cash and cash equivalents		9,295		8,823	
Interest paid on loans		(80,565)		(83,184)	
Loan principal repayments		(226,376)		(225,204)	
Share capital issued	19	7		18	
Net cash inflow / (outflow) from financing activities			105,303		(299,547)
Decrease in cash	20		(245,907)		(1,158,769)
Opening cash & cash equivalents			3,519,107		4,677,876
Closing cash & cash equivalents			3,273,200		3,519,107
Cash and cash equivalents as at 31 March					
Cash	20		3,273,200		3,519,107
			3,273,200		3,519,107

The notes on pages 15 to 33 form an integral part of these financial statements.

CLYDESDALE HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2020

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1 April 2018	117	-	11,322,307	11,322,424
Issue of Shares	18	-	-	18
Cancellation of Shares	(14)	-	-	(14)
Other comprehensive income	-	(303,285)	326,715	23,430
Other movements	-	(326,715)	-	(326,715)
Surplus for the year	-	-	825,139	825,139
Balance as at 31 March 2019	121	(630,000)	12,474,161	11,844,282
Balance as at 1 April 2019	121	(630,000)	12,474,161	11,844,282
Issue of Shares	7	-	-	7
Cancellation of Shares	(9)	-	-	(9)
Other comprehensive income	-	481,000	-	481,000
Other movements	-	88,000	(88,000)	-
Surplus for the year	-	-	876,434	876,434
Balance as at 31 March 2020	119	(61,000)	13,262,595	13,201,714

The notes on pages 15 to 33 form an integral part of these financial statements.

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2019. They comply with the Determination of Accounting Requirements 2019. A summary of the principal accounting policies is set out below

Revenue

Revenue comprises rental and service charge income receivable in the period, income from shared ownership first tranche sales, sales of properties built for sale, other services provided, revenue grants receivable and government grants released to income in the period.

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with expenditure as it is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met.

Government grants are released to income over the expected useful life of the asset to which they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

Retirement Benefits

The Association previously participated in the Scottish Housing Association Pension Scheme (SHAPS) a multi-employer defined benefit scheme where retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association moved to the SHAPS defined contribution scheme on leaving the defined benefit scheme. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

Going Concern

On the basis that the Management Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, the Association has adopted the going concern basis of accounting in preparing these financial statements.

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Housing Properties

Housing properties are held for the provision of social housing. Housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes acquisition of land and buildings and development cost. The Association depreciates housing properties over the useful life of each major component. Housing under construction and land are not depreciated.

<i>Component</i>	<i>Useful Economic Life</i>
Land	Not Depreciated
Structure	Over 50 years
Kitchens	Over 15 years
Bathrooms	Over 30 years
Roofs	Over 50 years
Windows	Over 30 years
External Doors	Over 25 years
Rewiring	Over 40 years
Boilers	Over 20 years

Depreciation and Impairment of Other Tangible Assets

Non-current assets are stated at cost less accumulated depreciation. Depreciation is charged over the expected economic useful lives of the assets at the following annual rates:

<i>Asset Category</i>	<i>Depreciation Rate</i>
Office Premises	3%
Furniture and Fittings	15%
Computer and Office Equipment	33.33%

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

Social Housing Grants and Other Capital Grants

Social housing grants and other capital grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which they relate.

Social housing grant attributed to individual components is written off to the statement of comprehensive income when these components are replaced.

Although social housing grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

Sales Of Housing Properties

First tranche shared ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the statement of recommended practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the statement of comprehensive income.

Disposals under shared equity schemes are accounted for in the statement of comprehensive income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

Taxation

The Association is a Registered Scottish Charity and is not liable to taxation on its charitable activities.

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Leases

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives or the term of the lease whichever is shorter.

Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property, a material reduction in future maintenance costs, or a significant extension of the life of the property.

Capitalisation Of Development Overheads

Directly attributable development administration costs relating to ongoing development activities are capitalised.

Borrowing Costs

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme. All other borrowing costs are expensed to the statement of comprehensive income using the effective interest rate method.

Property Development Cost

The proportion of the development cost of shared ownership properties expected to be disposed of as a first tranche sale is held in current assets until it is disposed of. The remaining part of the development cost is treated as a non-current asset. Surpluses made on the disposal of first tranche sales are taken to the Statement of Comprehensive Income.

Property developments that are intended for resale are included in current assets until disposal.

Housing Property Managed By Agents

Where a third party manages the Association's housing property the accounting treatment reflects the substance of the transactions. The property is only excluded if the rights and obligations associated with the scheme has been transferred to the third party.

VAT

The Association is exempt from registration for VAT.

Financial Instruments - Basic

The Association classes all of its loans as basic financial instruments including agreements with break clauses. The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

The Association's debt instruments are measured at amortised cost using the effective interest rate method.

Cash and Liquid Resources

Cash comprises cash at bank and in hand, deposits repayable on demand less overdrafts. Liquid resources are current asset investments that can't be disposed of without penalty and are readily convertible into amounts of cash at their carrying value.

Impairment

The Association assesses at the end of each accounting period whether there are indications that a non-current asset may be impaired or that an impairment loss previously recognised has fully or partially reversed.

Where the carrying value of non-current assets is less than their recoverable amounts the shortfall is recognised as an impairment loss in the Statement of Comprehensive Income. The recoverable amount is the higher of the fair value less costs to sell and value-in-use of the asset based on its service potential.

Impairment losses previously recognised are reversed if the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income.

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies

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

Key Judgements

a) Categorisation of Housing Properties

In the judgement of the Management Committee the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

b) Identification of cash generating units

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

c) Financial instrument break clauses

The Management Committee has considered the break clauses attached to the financial instruments that it has in place for its loan funding. In their judgement these break clauses do not cause the financial instrument to be classified as a complex financial instrument and therefore they meet the definition of a basic financial instrument.

d) Pension Liability

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. The Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method.

Estimation Uncertainty

a) Rent Arrears - Bad Debt Provision

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

The Association assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this assessment.

d) Costs of shared ownership

The Association allocates costs to shared ownership properties on an percentage basis split across the number of properties the Association owns.

e) Defined pension liability

In determining the value of the Association's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds.

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

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

		2020		2019		Operating surplus / (deficit)	
	Notes	Turnover £	Operating costs £	Operating surplus / (deficit) £	Turnover £	Operating costs £	Operating surplus / (deficit) £
Affordable letting activities	3	3,838,707	2,866,825	971,882	3,759,627	2,849,726	909,901
Other Activities	4	15,275	25,453	(10,178)	12,441	9,842	2,599
Total		3,853,982	2,892,278	961,704	3,772,068	2,859,568	912,500

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

	General Needs Housing £	Shared Ownership £	2020 Total £	2019 Total £
Revenue from Lettings				
Rent receivable net of service charges	3,097,096	23,695	3,120,791	3,024,171
Service charges receivable	55,452	817	56,269	66,269
Gross income from rent and service charges	3,152,548	24,512	3,177,060	3,090,440
Less: Rent losses from voids	10,286	4	10,290	18,890
Income from rents and service charges	3,142,262	24,508	3,166,770	3,071,550
Grants released from deferred income	623,146	11,684	634,830	649,477
Revenue grants from Scottish Ministers	37,107	-	37,107	38,600
Total turnover from affordable letting activities	3,802,515	36,192	3,838,707	3,759,627
Expenditure on affordable letting activities				
Management and maintenance administration costs	974,807	27,574	1,002,381	951,156
Service costs	66,857	903	67,760	70,448
Planned and cyclical maintenance, including major repairs	375,865	-	375,865	455,573
Reactive maintenance costs	418,971	-	418,971	415,825
Bad Debts - rents and service charges	5,797	78	5,875	18,331
Depreciation of affordable let properties	983,375	12,598	995,973	938,393
Operating costs of affordable letting activities	2,825,672	41,153	2,866,825	2,849,726
Operating surplus on affordable letting activities	976,843	(4,961)	971,882	909,901
2019	911,074	(1,173)		

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

4. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM

	Other income	Total Turnover	Other operating costs	Operating surplus / (deficit)	Operating surplus / (deficit)
	£	£	£	2020	2019
				£	£
Factoring	15,275	15,275	25,453	(10,178)	2,599
Total From Other Activities	15,275	15,275	25,453	(10,178)	2,599
2019	12,441	12,441	9,842	2,599	

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS

	2020	2019
	£	£

The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.

Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	68,802	67,255
---	--------	--------

Pension contributions made on behalf on Officers with emoluments greater than £60,000	6,742	9,886
---	-------	-------

Emoluments payable to Chief Executive (excluding pension contributions)	68,802	67,255
---	--------	--------

Total emoluments paid to key management personnel	252,614	257,100
---	---------	---------

The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-

	Number	Number
£60,001 to £70,000	1	1

6. EMPLOYEE INFORMATION

	2020	2019
	No.	No.
Average monthly number of full time equivalent persons employed during the year	15	13

Average total number of employees employed during the year	16	16
--	----	----

Staff costs were:	£	£
Wages and salaries	540,901	500,656
National insurance costs	53,606	50,179
Pension costs	55,771	62,808
	650,278	613,643

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£	£
On bank loans and overdrafts	<u>80,565</u>	<u>83,184</u>

8. SURPLUS FOR THE YEAR

	2020	2019
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	973,969	935,579
Auditors' remuneration - audit services	7,950	8,067
Auditors' remuneration - other services	500	500
Operating lease rentals - land & buildings	10,081	9,500
Gain / (loss) on sale of other non-current assets	<u>(1,627)</u>	<u>25,163</u>

9. CORPORATION TAX

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities.

10. OTHER FINANCE INCOME / (CHARGES)

	2020	2019
	£	£
Net interest on pension obligations	<u>(14,000)</u>	<u>(13,000)</u>

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
COST				
At 1 April 2019	44,092,853	286,092	724,473	45,103,418
Additions	370,099	338,322	-	708,421
Disposals	(722,535)	-	-	(722,535)
Transfers	624,414	(624,414)	-	-
At 31 March 2020	<u>44,364,831</u>	<u>-</u>	<u>724,473</u>	<u>45,089,304</u>
DEPRECIATION				
At 1 April 2019	14,904,203	-	270,497	15,174,700
Charge for Year	948,770	-	12,598	961,368
Disposals	(493,653)	-	-	(493,653)
At 31 March 2020	<u>15,359,320</u>	<u>-</u>	<u>283,095</u>	<u>15,642,415</u>
NET BOOK VALUE				
At 31 March 2020	<u>29,005,511</u>	<u>-</u>	<u>441,378</u>	<u>29,446,889</u>
At 31 March 2019	<u>29,188,650</u>	<u>286,092</u>	<u>453,976</u>	<u>29,928,718</u>

Expenditure on Existing Properties	2020		2019	
	<i>Component replacement</i> £	<i>Improvement</i> £	<i>Component replacement</i> £	<i>Improvement</i> £
Amounts capitalised	370,099	-	1,558,539	-
Amounts charged to the statement of comprehensive income	<u>794,836</u>	<u>-</u>	<u>871,398</u>	<u>-</u>

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £14,418,947 (2019 - £13,606,129)

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Computer Equipment £	Total £
COST				
At 1 April 2019	410,165	16,348	36,491	463,004
Additions	648,003	32,083	49,880	729,966
Eliminated on disposals	-	(15,367)	(30,766)	(46,133)
At 31 March 2020	<u>1,058,168</u>	<u>33,064</u>	<u>55,605</u>	<u>1,146,837</u>
DEPRECIATION				
At 1 April 2019	2	13,193	33,715	46,910
Charge for year	5,872	2,385	4,344	12,601
Eliminated on disposals	-	(13,740)	(30,766)	(44,506)
At 31 March 2020	<u>5,874</u>	<u>1,838</u>	<u>7,293</u>	<u>15,005</u>
NET BOOK VALUE				
At 31 March 2020	<u>1,052,294</u>	<u>31,226</u>	<u>48,312</u>	<u>1,131,832</u>
At 31 March 2019	<u>410,163</u>	<u>3,155</u>	<u>2,776</u>	<u>416,094</u>

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

12 RECEIVABLES

	2020	2019
	£	£
Gross arrears of rent & service charges	51,339	133,646
Less: Provision for doubtful debts	<u>(49,851)</u>	<u>(56,656)</u>
<i>Net arrears of rent and service charges</i>	1,488	76,990
Other receivables	<u>227,170</u>	<u>149,633</u>
	<u>228,658</u>	<u>226,623</u>

13 CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at bank and in hand	<u>3,273,200</u>	<u>3,519,107</u>

14. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans	317,744	226,938
Rent received in advance	107,001	81,110
Other taxation and social security	14,048	30,452
Other payables	180,069	292,827
Accruals and deferred income	<u>96,519</u>	<u>293,243</u>
	<u>715,381</u>	<u>924,570</u>

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

15. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans	3,790,738	3,704,978

16. DEBT ANALYSIS - BORROWINGS

	2020	2019
	£	£
Bank Loans		
Amounts due within one year	317,744	226,938
Amounts due in one year or more but less than two years	320,059	229,805
Amounts due in two years or more but less than five years	974,948	706,902
Amounts due in more than five years	2,495,731	2,768,271
	<u>4,108,482</u>	<u>3,931,916</u>

The Association has a number of bank loans the principal terms of which are as follows:

<i>Lender</i>	<i>Number of Properties Secured</i>	<i>Effective Interest Rate</i>	<i>Maturity (Year)</i>	<i>Variable or Fixed</i>
RBS	89	0.6%	2036	Variable
RBS	98	1.6%	2036	Fixed
RBS	98	5.0%	2036	Fixed
RBS	49	0.6%	2036	Variable
RBS	110	0.6%	2040	Variable
Scottish Government	-	0.0%	2025	Interest Free

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

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

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

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

The last valuation of the Scheme was performed as at 30 September 2018 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £877m. The valuation revealed a shortfall of assets compared with the value of liabilities of £121m (equivalent to a past service funding level of 89%). A recovery plan is in place to eliminate the past service deficit which runs to 28 February 2022.

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal, then the liability of the withdrawing employer is reapportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

In 2019 the Pensions Trust, the administrator of the Scheme developed a method of determining the share of assets and liabilities for individual employers. This method was adopted by the Association in 2019 and resulted in an adjustment to the opening pension liability recognised in the statement of financial position of £-164285.

Present values of defined benefit obligation, fair value of assets and defined benefit asset / (liability)

	2020	2019
	£	£
Fair value of plan assets	3,571,000	3,489,000
Present value of defined benefit obligation	3,632,000	4,119,000
Surplus / (deficit) in plan	(61,000)	(630,000)
Unrecognised surplus	-	-
Defined benefit asset / (liability) to be recognised	(61,000)	(630,000)

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2020	2019
	£	£
Defined benefit obligation at the start of period	4,119,000	3,936,000
Expenses	3,000	4,000
Interest expense	94,000	99,000
Actuarial losses (gains) due to scheme experience	(11,000)	(65,000)
Actuarial losses (gains) due to changes in demographic assumptions	(24,000)	12,000
Actuarial losses (gains) due to changes in financial assumptions	(440,000)	249,000
Benefits paid and expenses	(109,000)	(116,000)
Defined benefit obligation at the end of period	<u>3,632,000</u>	<u>4,119,000</u>

Reconciliation of opening and closing balances of the fair value of plan assets

	2020	2019
	£	£
Fair value of plan assets at start of period	3,489,000	3,341,000
Interest income	80,000	86,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	6,000	57,000
Contributions by the employer	105,000	121,000
Benefits paid and expenses	(109,000)	(116,000)
Fair value of plan assets at the end of period	<u>3,571,000</u>	<u>3,489,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £86,000

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2020	2019
	£	£
Expenses	3,000	4,000
Net interest expense	14,000	13,000
	<u>17,000</u>	<u>17,000</u>
Defined benefit costs recognised in statement of comprehensive income	17,000	17,000

Defined benefit costs recognised in the other comprehensive income

	2020	2019
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	6,000	57,000
Experience gains and losses arising on plan liabilities - gain /(loss)	11,000	65,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	24,000	(12,000)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	440,000	(249,000)
	<u>481,000</u>	<u>(139,000)</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	481,000	(139,000)
	<u>481,000</u>	<u>(139,000)</u>
Total amount recognised in other comprehensive income - gain (loss)	481,000	(139,000)

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets	2020	2019	2018
	£	£	£
Absolute Return	219,000	295,000	397,000
Alternative Risk Premia	286,000	195,000	127,000
Corporate Bond Fund	261,000	245,000	233,000
Credit Relative Value	86,000	61,000	-
Distressed Opportunities	65,000	60,000	15,000
Emerging Markets Debt	127,000	112,000	114,000
Fund of Hedge Funds	-	10,000	96,000
Global Equity	491,000	561,000	601,000
Infrastructure	211,000	146,000	61,000
Insurance-Linked Securities	96,000	90,000	91,000
Liability Driven Investment	940,000	1,241,000	1,177,000
Long Lease Property	87,000	42,000	-
Net Current Assets	27,000	4,000	6,000
Over 15 Year Gilts	45,000	90,000	108,000
Private Debt	71,000	45,000	31,000
Property	67,000	69,000	132,000
Risk Sharing	113,000	101,000	30,000
Secured Income	198,000	122,000	122,000
Opportunistic Illiquid Credit	87,000	-	-
Liquid credit	94,000	-	-
Total assets	<u>3,571,000</u>	<u>3,489,000</u>	<u>3,341,000</u>

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

Key Assumptions

	2020	2019	2018
Discount Rate	2.4%	2.3%	2.6%
Inflation (RPI)	2.6%	3.3%	3.2%
Inflation (CPI)	1.6%	2.3%	2.2%
Salary Growth	2.6%	3.3%	3.2%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life expectancy at age 65 years
Male retiring in 2019	21.5
Female retiring in 2019	23.2
Male retiring in 2039	22.8
Female retiring in 2039	<u>24.5</u>

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

18. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
Capital grants received			
At 1 April 2019	28,822,569	519,029	29,341,598
Additions in the year	150,600	-	150,600
Eliminated on disposal	(454,261)	(4,431)	(458,692)
At 31 March 2020	<u>28,518,908</u>	<u>514,598</u>	<u>29,033,506</u>
Amortisation			
At 1 April 2019	12,144,915	209,971	12,354,886
Amortisation in year	623,679	11,151	634,830
Eliminated on disposal	(263,860)	(4,096)	(267,956)
At 31 March 2020	<u>12,504,734</u>	<u>217,026</u>	<u>12,721,760</u>
Net book value			
At 31 March 2020	<u>16,014,174</u>	<u>297,572</u>	<u>16,311,746</u>
At 31 March 2019	<u>16,677,654</u>	<u>309,058</u>	<u>16,986,712</u>

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

	2020 £	2019 £
Amounts due within one year	634,830	649,477
Amounts due in more than one year	15,676,916	16,337,235
	<u>16,311,746</u>	<u>16,986,712</u>

19. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2020 £	2019 £
At 1 April	121	117
Issued in year	7	18
Cancelled in year	(9)	(14)
At 31 March	<u>119</u>	<u>121</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

20. CASH FLOWS

Reconciliation of net cash flow to movement in net debt

	£	2020 £	£	2019 £
Decrease in cash	(245,907)		(1,158,769)	
Cashflow from change in net debt	(176,566)		548,836	
Movement in net debt during the year		(422,473)		(609,933)
Net debt at 1 April		(412,809)		197,124
Net debt at 31 March		(835,282)		(412,809)

	At 01 April 2019 £	Cashflows £	Other Changes £	At 31 March 2020 £
Cash and cash equivalents	3,519,107	(245,907)	-	3,273,200
Debt: Due within one year	3,519,107	(245,907)	-	3,273,200
Due after more than one year	(226,938)	(176,566)	85,760	(317,744)
Net debt	(3,704,978)	-	(85,760)	(3,790,738)
	(412,809)	(422,473)	-	(835,282)

21. CAPITAL COMMITMENTS

	2020 £	2019 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	963,089	1,323,162

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

22. COMMITMENTS UNDER OPERATING LEASES

	2020 £	2019 £
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
Other		
Expiring in the next year	2,856	-
Expiring later than one year and not later than five years	11,424	-

23. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 39 North Vennel, Lanark, ML11 7PT.

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

24. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £4,529 (2019 - £6,316) in the year by way of reimbursement of expenses. No remuneration is paid to members in respect of their duties to the Association.

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

25. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2020	2019
	No.	No.
General needs	742	738
Shared ownership	10	10
	<u>752</u>	<u>748</u>

26. RELATED PARTY TRANSACTIONS

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102.

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

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

	2020	2019
	£	£
Rent received from tenants on the Management Committee and their close family members	20,404	26,850
	<u>20,404</u>	<u>26,850</u>

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £912 (2019 - £478).

Members of the Management Committee who are tenants	5	8
Members of the Management Committee who are local councillors	1	1