

CRAIGDALE HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Registered Housing Association No. HAL 95

Financial Conduct Authority No. 2296R(S)

Scottish Charity No. SC031879

CRAIGDALE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS
CONTENTS

	Page
Report of the Board (incorporating the Strategic Report)	1 - 4
Board's Statement on Internal Financial Controls	5
Auditor's Report on Corporate Governance Matters	6
Independent Auditor's Report on the Financial Statements	7 - 9
Statement of Comprehensive Income	10
Statement of Changes in Capital and Reserves	11
Statement of Financial Position	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 - 32

CRAIGDALE HOUSING ASSOCIATION LIMITED
BOARD, EXECUTIVES AND PROFESSIONAL ADVISORS
FOR THE YEAR ENDED 31 MARCH 2020

BOARD

Christine McCormack
Morag Cameron
Pat Bowden
Jaclyn McCann
Claire Taylor
John Duncan
Helen Bayne
Jeanette Brown
John Kilpatrick
Des Phee
Andrew Stevenson
Hilary Tennant
Christine Leitch
Peter Menellis

EXECUTIVE OFFICERS

Anne Marie Brown - Director
David Mackenzie - Interim Director

REGISTERED OFFICE

83/85 Dougrie Road
Castlemilk
Glasgow
G45 9NS

AUDITOR

Scott-Moncrieff Audit Services
Statutory Auditor
25 Bothwell Street
Glasgow
G2 6NL

Vice Chairperson
Resigned 19 August 2019
Resigned 5 September 2019

Resigned 5 September 2019
Treasurer
Resigned 5 September 2019
Chairperson
Secretary

Appointed 5 September 2019
Appointed 5 September 2019
Appointed 5 September 2019

Resigned 5 January 2020
Appointed 13 January 2020

INTERNAL AUDITOR

Quinn Internal Audit and
Business Support Services
55 Lady Place
Livingston, EH54 6TB

BANKERS

Bank of Scotland
82 Main Street
Rutherglen
G73 2HZ

SOLICITORS

BTO
48 St. Vincent Street
Glasgow
G2 5HS

Mellicks
160 Hope Street
Glasgow
G2 2TL

FINANCE AGENTS

FMD Financial Services Ltd
Unit 29, Ladyloan Place
Drumchapel
G15 8LB

CRAIGDALE HOUSING ASSOCIATION LIMITED
REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020

The Board presents their report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the Association is the provision and management of affordable rented accommodation.

Review of the Year

Strengthening governance continues to be one of Craigdale's strategic objectives as contained within our Business Plan for 2019 – 2023. Our hard work in terms of reviewing and strengthening our governance was recognised by the Scottish Housing Regular, when our engagement level with the Regulator reduced from Medium to Low on 28 March 2019. We will continue to ensure excellent governance is embedded within the organisation as Craigdale grows from strength to strength.

We are now governed by a Board of 10 members, with no co-optee Board Members. We appointed a new Chairperson in September 2019 and all new Board Members have settled well into their new roles. The new Members bring a wealth of experience in governance and litigation; are a welcomed addition to the governing body and complement and enhance the experience and skill set held by the current governing body members.

The Association revised its 3-year Business Plan in October 2019, and reframed the existing 4 strategic objectives and created 1 new strategic objective:

- Deliver excellent services – Enhancing Customer Service
- Strengthening community engagement – Shaping the Community
- Strengthen governance – Maintain Excellent Governance
- Strong financial & risk management – Maintain Strong and Financial Risk Management
- New Objective - Improving Housing Quality and Choice

Our Business Plan and associated delivery plans will ensure the Association continues to evolve, whilst ensuring Craigdale remains a strong independent community-controlled housing association, delivering excellent services, within the context of excellent governance. We are a values driven organisation and this underpins everything that we do.

We also retained our Investors in People Gold status this year, which we were delighted about.

Our former Director, Anne Marie Brown, left the Association in January 2020 and was succeeded by our new Chief Executive Officer, David Mackenzie.

We have exciting plans for 2020 and have appointed a consultant Development Officer to assist us with our proposal to build 36 homes in the former Castlemilk West Church site, starting in 2020. This year will also see us launching a new website and look toward involving and engaging with our tenants to improve our services.

CRAIGDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

COVID 19

Our office closed to the public in March 2020 and we have closely followed all relevant Government advice regarding COVID 19.

We have continued to provide services to our tenants remotely and have ensured that strong governance has continued with all scheduled Committee and Board meetings taking place via video conferencing.

Housing Management

The Association's Housing Services Team had another busy and successful year, particularly as they continued to achieve the majority of internal targets set by the Association.

Here are some of the Team's key achievements for the year ending 31 March 2020:

- 21 properties were re-let during the year
- The average time to re-let a property was 2.76 days
- Void loss was 0.04%
- Gross rent arrears were 2.66%
- 6 anti-social behaviour complaints were received
- 91% of the Association's tenants felt the rent charged represented value for money.

Maintenance

The Association continued to provide an excellent repairs service to its tenants throughout the year. Here are some highlights:

- Tenants reported 314 emergency repairs
- Average length of time taken to complete emergency repairs was 2.22 hours
- Tenants reported 854 non-emergency repairs
- Average length of time taken to complete non-emergency repairs was 2.58 days
- 96.90% of the Association's reactive repairs were completed right first time

As part of our planned maintenance programme we installed 73 bathrooms in Phase 2, Replaced the communal ventilation system in Phase 9, installed interlinking smoke alarms, heat detectors, carbon monoxide in our Phase 1, 2, 3 & 4 properties.

Further information on the Association's performance can be found on the Scottish Housing Regulator's website:
<https://www.scottishhousingregulator.gov.uk/find-and-compare-landlords/craigdale-housing-association-ltd>

Community Involvement

Craigdale takes great pride in delivering an exciting schedule of community events and competitions throughout the year, for its tenants and their families. The following is a summary of the main community events, competitions and other projects run by the Association during the year:

- Over 50's Away Day Trip to Loch Lomond
- Family Day Out to Blair Drummond Safari Park
- Teenage Kicks Cinema Vouchers
- Children's Halloween Party
- Children's Christmas Party
- Tenant's Christmas Party
- Twelve Days of Christmas with cash prizes
- Free books for the under 5's through Dolly Parton's Imagination Library

The Association has a Community Action in place, and it is hoping to develop various projects contained within the Plan in partnership with other local agencies.

CRAIGDALE HOUSING ASSOCIATION LIMITED
REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020

Tenant Satisfaction

In March 2019 an independent company carried out our 3 yearly Tenant Satisfaction Survey, the results of which are noted in the table below. The survey results demonstrate the high tenant satisfaction levels Craigdale has in relation to its service delivery and landlord functions. As always, there is room for improvement and we will work on this throughout the following year. We are hoping to be able to establish and support a tenant's panel in 2020.

	2013	2016	2019
Taking everything into account, how satisfied or dissatisfied are you with the overall service provided by Craigdale Housing Association? (% very/fairly satisfied)	98%	99%	98%
How good or poor do you feel Craigdale is at keeping you informed about their services and decisions? (% very/ fairly good)	99%	100%	99%
How satisfied or dissatisfied are you with the opportunities given to you to participate in Craigdale's decision making process? (% very/ fairly satisfied)	97%	100%	100%
Thinking about the LAST time you had repairs carried out, how satisfied or dissatisfied were you with the repairs and maintenance service provided by Craigdale? [Repair carried out in the last 12 months] (% very/ fairly satisfied)	96%	98%	96%
Overall, how satisfied or dissatisfied are you with the quality of your home? (% very/ fairly satisfied)	96%	99%	92%
Taking into account the accommodation and services your landlord provides, to what extent do you think your rent represents value for money? Is it... (% stating very/ fairly good)	76%	97%	91%
Overall, how satisfied or dissatisfied are you with your landlord's management of the neighbourhood you live in? (% very/ fairly satisfied)	99%	99%	98%
Taking everything into account, how satisfied or dissatisfied are you with the factoring service provided by Craigdale Housing Association? (% very/ fairly satisfied)	-	-	86%

CRAIGDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

Board and executive officers

The members of the Board hold 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 Board. The members of the board are also Trustees of the charity. Members of the Board are appointed by the members at the Association's Annual General Meeting.

Statement of the Board's responsibilities

Statute requires the Board 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 income and expenditure of the Association for that period. In preparing those Financial Statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association. The Board must ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Information for the Auditor

As far as the Board is aware there is no relevant audit information of which the auditor is unaware and the Board has taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to ensure that the auditor is aware of any such information.

Charitable Donations

During the year, the Association made charitable donations amounting to £740 (2019 - £550)

Auditor

The appointed auditor, Scott-Moncreiff, tendered their resignation during 2019 and were replaced by Scott-Moncreiff Audit Services. Scott-Moncreiff Audit Services have expressed their willingness to continue in office and will be proposed for re-appointment at the Annual General Meeting

The Report of the Board (incorporating the Strategic Report) has been approved by the Board on 31 August 2020 and signed on their behalf by:

SIGNATURE
REDACTED

Des Phee
Secretary

CRAIGDALE HOUSING ASSOCIATION LIMITED

BOARD'S STATEMENT ON INTERNAL FINANCIAL CONTROLS

FOR THE YEAR ENDED 31 MARCH 2020

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

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

It is the Board'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 include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions, annual appraisal procedures will be established to maintain standards of performance;
- forecasts and budgets are prepared regularly which allow the Board and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; Regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board;
- the Board review reports, from the director, staff and from the external and internal auditor to provide reasonable assurance that control procedures are in place and are being followed, including a general review of the major risks facing the Association; and
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

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

The Board's statement on Internal Financial Controls has been approved by the Board on 31 August 2020 and signed on their behalf by:

SIGNATURE
REDACTED

Des Phee
Secretary

CRAIGDALE HOUSING ASSOCIATION LIMITED

AUDITOR'S REPORT ON CORPORATE GOVERNANCE MATTERS

FOR THE YEAR ENDED 31 MARCH 2020

In addition to our audit of the Financial Statements, we have reviewed your statement on page 5 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements on corporate governance matters within Bulletin 2009/4 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 5 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

SIGNATURE : REDACTED

Scott-Moncrieff Audit Services

Statutory Auditor
25 Bothwell Street
Glasgow
G2 6NL

Dated: 31 August 2020

CRAIGDALE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAIGDALE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of Craigdale Housing Association Limited (the Association) for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Statement of Changes in Capital and Reserves, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6

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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

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

- the Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board 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 Board are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

CRAIGDALE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAIGDALE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Other information (continued)

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.

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 require us to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Statement of the Board's Responsibilities set out on page 4, 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014 and report in accordance with the Act and relevant regulations made or having effect thereunder.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

CRAIGDALE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAIGDALE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014.

Our audit work has been undertaken so that we might state to the Association's members, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

SIGNATURE · REDACTED

Scott-Moncrieff Audit Services, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
25 Bothwell Street
Glasgow
G2 6NL

Date: 31 August 2020

CRAIGDALE HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

		2020	2019
	Notes	£	£
Turnover	4	1,851,142	1,839,459
Operating expenditure	4	(1,451,801)	(1,461,638)
Operating surplus	4	399,341	377,821
Interest receivable and other income	10	10,855	9,348
Interest payable and similar charges	11	(29,818)	(34,744)
Surplus before taxation		380,378	352,425
Taxation		-	-
Surplus for the year		380,378	352,425
Other Comprehensive Income			
Initial recognition of multi-employer defined benefit scheme	23	-	(98,000)
Actuarial gain/(loss) on the SHAPS liability	23	238,005	(43,000)
Total comprehensive income for the year		618,383	211,425

The results for the year relate wholly to continuing activities.

The notes on pages 14 to 32 form part of these financial statements

CRAIGDALE HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2020

	Share Capital	Revenue Reserves	Total Reserves
	£	£	£
Balance at 1 April 2019	144	6,150,930	6,151,074
Issue of shares	4	-	4
Cancellation of shares	(3)	-	(3)
Total comprehensive income	-	618,383	618,383
Balance at 31 March 2020	145	6,769,313	6,769,458

STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2019

	Share Capital	Revenue Reserves	Total Reserves
	£	£	£
Balance at 1 April 2018	145	5,939,505	5,939,650
Issue of shares	3	-	3
Cancellation of shares	(4)	-	(4)
Total comprehensive income	-	211,425	211,425
Balance at 31 March 2019	144	6,150,930	6,151,074

The notes on pages 14 to 32 form part of these financial statements

CRAIGDALE HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Notes	2020 £	2019 £
Tangible fixed assets			
Housing properties	12a	16,276,601	16,438,258
Other Fixed Assets	12b	219,187	225,839
		<u>16,495,788</u>	<u>16,664,097</u>
Current assets			
Debtors	13	47,895	37,826
Cash at bank and in hand	14a	1,328,043	2,009,384
Short term deposits	14b	500,000	-
		<u>1,875,938</u>	<u>2,047,210</u>
Creditors			
Amounts falling due within one year	15	(402,942)	(344,901)
Net current assets		<u>1,472,996</u>	<u>1,702,309</u>
Total assets less current liabilities		<u>17,968,784</u>	<u>18,366,406</u>
Creditors			
Amounts falling due after more than one year	16	(1,451,515)	(1,836,238)
Pension - defined benefit liability	23	-	(280,335)
Deferred income			
Social housing grants	17	(9,555,731)	(9,899,819)
Other grants	17	(192,080)	(198,940)
Net assets		<u>6,769,458</u>	<u>6,151,074</u>
Capital and reserves			
Called up share capital	18	145	144
Revenue reserves	20	6,769,313	6,150,930
		<u>6,769,458</u>	<u>6,151,074</u>

The Financial Statements were authorised for issue by the Board of Management on 31 August 2020 and signed on its behalf by:

J Kilpatrick
Chairperson

SIGNATURE
REDACTED

D Phee
Secretary

SIGNATURE
REDACTED

SIGNATURE
REDACTED

The notes on pages 14 to 32 form part of these financial statements

CRAIGDALE HOUSING ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Net cashflows from operating activities	21	532,832	393,444
Cash flow from investing activities			
Purchase of property components and properties		(291,584)	(126,445)
Purchase of other fixed assets		(10,199)	(25,223)
Movement of funds on deposit		(500,000)	961,694
Interest received		10,855	9,348
		<u>(790,928)</u>	<u>819,374</u>
Cash flow from financing activities			
Interest paid		(23,818)	(27,744)
Repayment of borrowings		(399,431)	(200,099)
Issue of share capital		4	3
		<u>(423,245)</u>	<u>(227,840)</u>
Net changes in cash and cash equivalents		<u>(681,341)</u>	<u>984,978</u>
Cash and cash equivalents at 1 April		<u>2,009,384</u>	<u>1,024,406</u>
Cash and cash equivalents at 31 March	14a	<u>1,328,043</u>	<u>2,009,384</u>

(i) Analysis of changes in net debt

	At 1 April 2019 £	Cashflows £	Other non- cash changes £	At 31 March 2020 £
Cash and cash equivalents				
Cash	2,009,384	(681,341)	-	1,328,043
Overdrafts	-	-	-	-
Cash equivalents	-	500,000	-	500,000
	<u>2,009,384</u>	<u>(181,341)</u>	<u>-</u>	<u>1,828,043</u>
Borrowings				
Debt due within one year	193,971	(14,708)	-	179,263
Debt due after one year	1,836,238	(384,723)	-	1,451,515
	<u>2,030,209</u>	<u>(399,431)</u>	<u>-</u>	<u>1,630,778</u>
Total	<u>(20,825)</u>	<u>218,090</u>	<u>-</u>	<u>197,265</u>

The notes on pages 14 to 32 form part of these financial statements

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

1. General information

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Housing Requirements 2019 as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018. The principal accounting policies are set out below.

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

The presentation currency is pounds sterling and the financial statements are rounded to the nearest whole number.

The Association is defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities. The Association is a registered social landlord in Scotland and its registered number is HAL95. The financial statements present the results of the Association only.

The Association is a Co-operative and Community Benefit Society limited by shares and is incorporated in the United Kingdom.

The Association's principal place of business is 83/85 Dougrie Road, Castlemilk, Glasgow. The Association is a registered social housing landlord in Scotland and its registered number is HAL 95 and Scottish charity that owns and manages social housing property in Castlemilk.

2. Principal accounting policies

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Accounting Requirements 2019 as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018.

The preparation of these financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also required management to exercise judgement in applying the Association's accounting policies (see note 3). A summary of the principal accounting policies is set out below:

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting. The effects of events relating to the year ended 31 March 2020, which occurred before the date of approval of the financial statements by the Board of Management have been included in the statements to the extent required to show a true and fair view of the statement of affairs as at 31 March 2020 and of the results for the year ended on that date.

Going Concern

The Board anticipate that a surplus will be generated in the year to 31 March 2021 and the year to 31 March 2022. The Association has a healthy cash and net current asset position and thus the Board is satisfied that there are sufficient resources in place to continue operating for the foreseeable future. This assessment of going concern includes the expected impact of COVID-19 to the entity in the 12 months following the signing of these financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

2. Accounting policies (cont'd)

Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from the Scottish Government, local authorities and other agencies. Also included is any income from first tranche shared ownership disposals and management fees for the factoring of properties for private owners as the provision of factoring services is accounted for on an agency basis.

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

Government grants are released to income over the expected useful life of the asset to which it relates.

Interest receivable

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

Interest Payable

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

Housing properties

Housing properties are stated at cost less accumulated depreciation. The cost of such properties includes the following:

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

These costs are either termed "qualifying costs" for approved Government grant schemes and are considered for mortgage loans by the relevant lending authorities or they are met out of the Association's reserves.

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

Works to existing properties will generally be capitalised under the following circumstances:

- (i) Where a component of the housing property that has been treated separately for depreciation purposes and depreciated over its useful economic life is replaced or restored; or
- (ii) Where the subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed assets in excess of the previously assessed standard of performance. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property.

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

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

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

2. Accounting policies (cont'd)

Depreciation

(i) Housing Properties

Housing properties are stated at cost, less accumulated depreciation. Each housing unit has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected economic useful life. The following major components and useful lives have been identified by the Association.

Land	not depreciated
Structure	over 50 years
Windows	over 35 years
Kitchens	over 20 years
Bathrooms	over 25 years
Central Heating	over 10 years

Other fixed assets

The Association's assets are written off evenly over their expected useful lives as follows:

Office property	2% straight line per annum
Furniture & fittings	25% straight line per annum
Computer equipment	33% straight line per annum
Office equipment	20% straight line per annum

A full year's depreciation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

Sales of housing properties

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.

Improvements

Improvements are capitalised where these result in an enhancement of the economic benefits of the property. Such enhancement can occur if the improvements result in:

- an increase in rental income; or
- a material reduction in future maintenance costs; or
- a significant extension of the life of the property.

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

Impairment of fixed assets

A review for impairment for all fixed assets is carried out on an annual basis and any impairment is recognised by a charge to the Statement of Comprehensive Income.

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

2. Accounting policies (cont'd)

Debtors

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

Rental arrears

Rental arrears represent amounts due by tenants for rental of social housing properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed to be recoverable. The Association assesses the recoverability of rent arrears through a detailed assessment process which considers tenant payment history, arrangements in place and court action. Any provision deemed necessary is shown alongside gross rental arrears shown in note 13.

Cash and Cash Equivalents

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

Current asset investments

Current asset investments are represented by long term deposits with financial institutions repayable after more than three months.

Creditors

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

Loans

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

Social housing grant & other grants

Social Housing Grants and other capital grants are accounted for using the accrual method as outlined in Section 24 of the Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates.

Social housing grants attributed to individual components is written off to the Statement of Comprehensive Income when these components are replaced.

Social housing grants received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

Although social housing grants are 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.

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

2. Accounting policies (cont'd)

Non-government capital and revenue grants

Non-government capital and revenue grants are recognised using the performance model. If there are no performance conditions attached the grants are recognised as revenue when the Association is entitled to them, it is probable they will be received and they can be measured reliably.

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

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

Financial instruments

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

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

Financial assets are derecognised when contractual rights to the cash flows from the assets expire, or when the Association has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Operating leases

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Pension Costs (note 23)

The Association participates in The Scottish Housing Associations' Defined Benefits Pension Scheme (SHAPS) and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

The SHAPS is accounted for as a defined benefit scheme and as such the amount charged to the Statement of Comprehensive Income in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost is included within other finance costs/income. Actuarial gains and losses arising from new valuations and from updating valuations to the reporting date are recognised in Other Comprehensive Income.

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

2. Accounting policies (cont'd)

Pension Costs (note 23)

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

3. Judgements in applying policies and key sources of uncertainty

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

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

- The categorisation of housing properties as property, plant and equipment in line with the requirements of the SORP;
- The amount disclosed as 'operating profit' is representation of activities that would normally be regarded as 'operating'; and
- The identification of a cash-generating unit for impairment purposes.

Estimate

Basis of estimation

Useful lives of property and equipment	The useful lives of property and equipment are based on the knowledge of senior management at the Association, with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.
The obligations under the SHAPs pension scheme	This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate. Additionally, the impact of Guaranteed Minimum Pension (GMP) equalisation has been included in the SHAPS defined benefit liability.
The allocation of costs for shared ownership	Management and administration costs are allocated on the basis of rental income that shared ownership properties represent of the Association's total rental income.

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

4. Particulars of Turnover, Operating Expenditure and Operating Surplus / (deficit)

		2020			2019		
		Turnover £	Operating Expenditure £	Operating Surplus/ (Deficit) £	Turnover £	Operating Expenditure £	Operating Surplus/ (Deficit) £
Income and expenditure from letting activities	5	1,849,688	(1,450,137)	399,551	1,837,937	(1,456,104)	381,833
Affordable and expenditure from letting activities	6	1,454	(1,664)	(210)	1,522	(5,534)	(4,012)
Other activities		<u>1,851,142</u>	<u>(1,451,801)</u>	<u>399,341</u>	<u>1,839,459</u>	<u>(1,461,638)</u>	<u>377,821</u>

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

5. Particulars of income & expenditure from affordable letting activities

	General Needs Housing £	Shared Ownership £	2020 Total £	2019 Total £
Revenue from lettings				
Rent receivable net of service charges	1,485,672	6,973	1,492,645	1,448,845
Less: Rent Losses from Voids	(2,367)	-	(2,367)	(512)
Net rents receivable	1,483,305	6,973	1,490,278	1,448,333
Grants released from deferred income	350,948	-	350,948	379,998
Other revenue grants from Scottish Ministers	8,462	-	8,462	9,606
Total turnover from affordable letting activities	1,842,715	6,973	1,849,688	1,837,937
Expenditure on affordable letting activities				
Management and Maintenance administration costs	621,648	-	621,648	622,905
Planned and cyclical maintenance including major repairs	256,508	-	256,508	150,145
Reactive maintenance	111,853	-	111,853	102,032
Bad debts - rents and service charges	6,887	-	6,887	7,343
Depreciation of affordable let properties	450,984	2,257	453,241	573,679
Operating costs of affordable letting activities	1,447,880	2,257	1,450,137	1,456,104
Operating Surplus on affordable letting activities	394,835	4,716	399,551	381,833
Operating Surplus for affordable letting activities 2019	376,004	5,829		

The amount for service charges receivable on housing accommodation not eligible for Housing Benefit was £nil (2019 - £nil).

Included in depreciation of social housing is £13,528 (2019 - £43,279) relating to the loss on disposal of components.

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

6. Particulars of turnover, operating costs and operating surplus / (deficit) from other activities

	Grants from Scottish Ministers £	Other Revenue Grants £	Supporting People Income £	Other Income £	Total Turnover £	Operating Costs - Bad Debts £	Other Operating Costs £	Operating surplus/ (deficit) 2020 £	Operating surplus/ (deficit) 2019 £
Wider role activities	-	-	-	-	-	-	(210)	(210)	(4,012)
Care and repair	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	1,454	1,454	-	(1,454)	-	-
Development activities	-	-	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for RSL's	-	-	-	-	-	-	-	-	-
Other Agency/management services	-	-	-	-	-	-	-	-	-
Development for sale (including first tranche shared ownership sales to non-registered RSL's)	-	-	-	-	-	-	-	-	-
Rechargeable repairs	-	-	-	-	-	-	-	-	-
Total from other activities 2020	-	-	-	1,454	1,454	-	(1,664)	(210)	(4,012)
Total from other activities 2019	-	-	-	1,522	1,522	-	(5,534)		

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

7. Officer's emoluments

The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Board, managers and employees of the Association. The Association considers key management personnel to be the Board and the Director of the Association only. During the year, a period of cover was provided by an Interim Director, emoluments for this period are included within total emoluments payable to key management personnel.

	2020 £	2019 £
Aggregate emoluments payable to key management personnel (excluding Pension contributions)	<u>77,187</u>	<u>70,425</u>
Pension contributions payable to key management personnel with emoluments greater than £60,000	<u>-</u>	<u>6,987</u>
Emoluments payable to former Director and interim Chief Executive (excluding pension contributions)	<u>77,187</u>	<u>70,425</u>
Total emoluments paid to key management personnel	<u>82,630</u>	<u>88,412</u>

The Chief Executive is an ordinary member of the Association's pension scheme described in note 23. No enhanced or special terms apply to membership and they have no other pension arrangements to which the Association contributes.

The national insurance costs encountered during the year on behalf of the key management personnel were £6,570 (2019 - £8,517).

The number of Officers, including the highest paid officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:

	Number	Number
£60,000 to £70,000	<u>-</u>	<u>1</u>

8. Employees information

	2020	2019
The average total number of employees employed during the year was:	<u>7</u>	<u>7</u>
	2020	2019
	£	£
Wages and salaries	250,805	249,221
Social security costs	23,811	23,421
Pension costs	23,366	27,109
	<u>297,982</u>	<u>321,751</u>

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

8. Employee information (continued)

During the year past service deficit contributions of £45,774 (2019 - £41,000) were paid. Of this payment £44,439 (2019 - £39,665) was a payment in respect of the SHAPS past service deficit liability. The remainder of £1,335 (2019 - £1,335) was pension management costs which have been included in the pension contributions total included in staff costs above.

	2020	2019
	£	£
9. Surplus for the year		
Surplus is stated after charging:		
Depreciation	456,564	544,676
Loss on disposal of components	13,528	43,279
Auditor's remuneration - Audit services	7,200	7,416
	<u> </u>	<u> </u>
10. Interest receivable	2020	2019
	£	£
Bank interest	10,855	9,348
	<u> </u>	<u> </u>
11. Interest payable and similar charges	2020	2019
	£	£
On bank loans and overdrafts	23,818	27,744
Defined benefit pension liability – interest charge (Note 23)	6,000	7,000
	<u> </u>	<u> </u>
	<u>29,818</u>	<u>34,744</u>

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

	Housing Properties Held For Letting £	Completed Shared Ownership Properties £	Housing Properties Under Development £	Total £
12. Tangible fixed assets				
a) Housing properties				
Cost				
As at 1 April 2019	24,196,881	225,660	-	24,422,541
Additions during the year				
Property	63,810	-	6,600	70,410
Components	221,174	-	-	221,174
Transfer of shared ownership	90,264	(90,264)	-	-
Disposals during the year				
Property	-	-	-	-
Components	(97,891)	-	-	(97,891)
As at 31 March 2020	24,474,238	135,396	6,600	24,616,234
Depreciation				
As at 1 April 2019 (restated)	7,907,559	76,724	-	7,984,283
Charge for year	437,456	2,257	-	439,713
Transfer of shared ownership	30,690	(30,690)	-	-
Disposals during the year				
Property	-	-	-	-
Components	(84,363)	-	-	(84,363)
As at 31 March 2020	8,291,342	48,291	-	8,339,633
Net book value				
As at 31 March 2020	16,182,896	87,105	6,600	16,276,601
<i>As at 31 March 2019</i>	<i>16,239,402</i>	<i>198,856</i>	<i>-</i>	<i>16,438,258</i>

Additions to housing properties include capitalised development administration costs of £nil (2019 - £nil) and capitalised major repair costs to existing properties of £221,174 (2019 - £126,445).

All land and housing properties are freehold.

Total expenditure on existing properties in the year amounted to £659,845 (2019 - £138,048). The amount capitalised is £291,584 (2019 - £126,445), with the balance of £368,261 (2019 - £11,603) charged to the Statement of Comprehensive Income. The amounts capitalised can be further split between component replacement of £221,174 (2019 - £126,445) and acquisitions of £70,410 (2019 - £nil).

Components with a cost of £97,891 (2019 - £100,988) and depreciation of £84,363 (2019 - £57,709) were disposed in the year.

Categorisation of opening depreciation was restated. Overall there was no change in the total depreciation charge at 1 April 2019, rather the split between categories was amended.

Housing stock	2020 No	2019 No
The number of units of accommodation in management at the year end was:		
General needs - Built by Association	223	223
General needs - Purchased by Association	146	144
Shared ownership	3	5
	372	372

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

12. Tangible fixed assets

b) Other tangible assets

Cost	Computer Equipment £	Office Equipment £	Office Premises £	Furniture & Equipment £	Total £
As at 1 April 2019	122,491	25,346	327,038	38,934	513,809
Additions	9,599	-	600	-	10,199
Disposals	(94,801)	-	-	(29,609)	(124,410)
As at 31 March 2020	37,289	25,346	327,638	9,325	399,598

Depreciation

As at 1 April 2019	116,170	23,190	111,457	37,153	287,970
Charge for year	6,361	2,156	6,553	1,781	16,851
Disposals	(94,801)	-	-	(29,609)	(124,410)
As at 31 March 2020	27,730	25,346	118,010	9,325	180,411

Net book value

As at 31 March 2020	9,559	-	209,628	-	219,187
As at 31 March 2019	6,321	2,156	215,581	1,781	225,839

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

	2020 £	2019 £
13. Debtors		
Arrears of Rent and Service Charges	47,892	30,066
Less: Provision for doubtful debts	(22,000)	(14,863)
	<u>25,892</u>	<u>15,203</u>
Other debtors	22,003	22,623
	<u>47,895</u>	<u>37,826</u>
14a. Cash and cash equivalents	2020 £	2019 £
Balances held in current accounts	<u>1,328,043</u>	<u>2,009,384</u>
14b. Short term deposits	2020 £	2019 £
Balances held in short term deposit accounts	<u>500,000</u>	<u>-</u>
15. Creditors: Amounts falling due within one year	2020 £	2019 £
Housing Loans	179,263	193,971
Trade Creditors	129,952	61,719
Rent in advance	76,665	69,939
Other Creditors	662	980
Accruals and deferred income	16,400	18,292
	<u>402,942</u>	<u>344,901</u>

At the Statment of Financial Position date there were pension contributions outstanding of £nil (2019 - £7,734).

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

16. Creditors: Amounts falling due after more than one year	2020	2019
	£	£
Housing loans	1,451,515	1,836,238
	1,451,515	1,836,238
Housing loans		
Amounts due within one year	179,263	193,971
Amounts due in one year or more but less than two years	188,238	197,642
Amounts due in two years or more but less than five years	290,390	453,142
Amounts due in more than five years	972,887	1,185,454
	1,630,778	2,030,209
Less: Amounts shown in current liabilities	(179,263)	(193,971)
	1,451,515	1,836,238

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

The Association has a number of long term housing loans, the terms and conditions of which fall into the following categories: £1,630,778 at base rate or three month LIBOR plus margin (0.4% - 1.00%) secured over 150 properties, all expiring between 2026 and 2036. The net book value of housing properties secured at the year-end was £8,330,740 (2019 - £9,824,408).

The liability for the past service contributions has been accounted for in accordance with FRS 102 para 28.13A and represents the present value of the contributions payable. In the prior year cash flows were discounted at a rate of 1.51%.

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

	Housing Properties For Letting £	Shared Ownership Properties £	Total £
17. Deferred income			
<u>Social Housing Grants</u>			
<i>Balances as at 1 April 2019</i>	16,520,218	197,625	16,717,843
Transferred	82,344	(82,344)	-
Eliminated on disposals components & properties	(143,555)	-	(143,555)
Balances as at 31 March 2020	16,459,007	115,281	16,574,288
<u>Amortisation</u>			
Balance as at 1 April 2019	6,752,148	65,876	6,818,024
Amortisation in year	327,835	1,647	329,482
Transferred	27,997	(27,997)	-
Eliminated on disposal	(128,949)	-	(128,949)
Balances as at 31 March 2020	6,979,031	39,526	7,018,557
NET BOOK VALUE:			
Balances as at 31 March 2020	9,479,976	75,755	9,555,731
<i>Balances as at 31 March 2019</i>	9,768,070	131,749	9,899,819
<u>Other grants:</u>			
<i>Balances as at 1 April 2019</i>	343,000	-	343,000
Balances as at 31 March 2020	343,000	-	343,000
<u>Amortisation</u>			
Balance as at 1 April 2019	144,060	-	144,060
Amortisation in year	6,860	-	6,860
Balances as at 31 March 2020	150,920	-	150,920
Net book value			
Balances as at 31 March 2020	192,080	-	192,080
<i>Balances as at 31 March 2019</i>	198,940	-	198,940
Total grants net book value as at 31 March 2020	9,672,056	75,755	9,747,811

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

	2020 £	2019 £
Amounts due within one year	336,341	339,647
Amounts due after more than one year	9,411,470	9,759,112
	9,747,811	10,098,759

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

18. Share capital	2020	2019
	£	£
Shares of £1 each issued and fully paid		
At 1 April 2019	144	145
Issued in year	4	3
Cancelled in year	(3)	(4)
	<hr/>	<hr/>
Balance as at 31 March 2020	145	144
	<hr/>	<hr/>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distribution 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.

19. Related party transactions

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

Those members who are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their position to their advantage.

Governing body members cannot use their position to their advantage. Any transaction between the Association and any entity with which a Governing body member has a connection is made at arm's length and under normal commercial terms.

Transactions with governing body members (and their close family) included rental income received from Tenants on the Board and their close family members £20,640 (2019 - £23,826).

At the year end total rent arrears owed by the tenant members of the Board (and their close family) were £nil (2019 - £nil). The total prepaid rent relating to tenant members of the board (and their close family) included within creditors at the year end is £985 (2019 - £1,140).

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

20. Revenue reserves

The revenue reserve includes all current and prior year retained surpluses or deficits.

21. Net cash generated from operating activities	2020	2019
	£	£
Cash flow from operating activities		
Surplus for the year	380,378	352,425
<u>Adjustments for non cash items:</u>		
Depreciation of tangible fixed assets	470,092	587,955
Increase/(decrease) in trade and other debtors	(10,069)	30,903
Increase/(decrease) in trade and other creditors	72,749	(183,570)
<u>Adjustments for investing and financing activities:</u>		
Release of deferred Government capital grants	(350,948)	(379,998)
Shares cancelled	(3)	(4)
Interest payable	29,818	34,744
Interest receivable	(10,855)	(9,348)
SHAPS past deficit payment	(48,330)	(39,663)
	<u>532,832</u>	<u>393,444</u>

22. Governing body member emoluments

Board members received £2,541 (2019 - £2,437) in the year by way of reimbursement of expenses. No remuneration is paid to Board members in respect of their duties in the Association.

23. Pension Obligation

General

Craigdale Housing Association Limited (the Association) participates in the Scottish Housing Associations' Pension Scheme, (the "Scheme"). The scheme is a multi-employer defined benefit scheme. The scheme is funded. The Scheme offers six benefit structures to employers, namely:

Final salary with a 1/60th accrual rate; Career average revalued earnings with a 1/60th accrual rate; a 1/70th accrual rate; a 1/80th accrual rate; 1/120th accrual rate, contracted in; and a Defined Contribution (DC) option.

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. The DC option can be introduced by the employer on the first day of any month after giving a minimum of three months' prior notice. The Association has since moved to a defined contribution scheme but has a net liability for the past service deficit in the defined benefit scheme.

During the accounting period the Association paid contributions at the rate of 10% of pensionable salaries to the defined contribution scheme. Member contributions range from 5% to 13.3%.

CRAIGDALE HOUSING ASSOCIATION LIMITED

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

23. Pension obligation (cont'd)

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

As at the Statement of Financial Position date there were 3 (2019 - 3) active members of the Scheme employed by the Association. The Association continues to offer membership of the Scheme to its employees.

The last triennial 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 £877 million. The valuation revealed a shortfall of assets compared to liabilities of £121 million, equivalent to a past service funding level of 89%.

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

The key valuation assumptions used to determine the assets and liabilities of the Scheme as at 30 September 2018 are detailed below:

-	Investment return pre retirement	3.12% per annum
-	Investment return post retirement - Non-pensioners	3.12% per annum
-	Investment return post retirement - Pensioners	3.12% per annum
-	Rate of salary increases	3.35% per annum
-	Rate of pension increases - pension accrued pre 6 April 2005	2.00% per annum
	- pension accrued from 6 April 2005	1.70% per annum
	- (for leavers before 1 October 1993 pension increases are	

The Trustee's view is that the recovery plan remains appropriate and there is no need to take any action ahead of the next actuarial valuation due at 30 September 2020. The information regarding the 30 September 2020 valuation, including the annual funding update is not yet available from TPT.

The SHAPS defined benefit pension liability is accounted for as a defined benefit pension scheme from 1 April 2018 onwards. In accordance with FRS 102 section 28, the operating and financing costs of pension and post retirement schemes (determined by TPT) are recognised separately in the Statement of Comprehensive Income. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The difference between actual and expected returns on assets during the year, including changes in the actuarial assumptions, is recognised in Other Comprehensive Income.