

CRAIGDALE HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Registered Housing Association No. HAL 95

Financial Conduct Authority No. 2296R(S)

Scottish Charity No. SC031879

CRAIGDALE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS
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CRAIGDALE HOUSING ASSOCIATION LIMITED
BOARD, EXECUTIVES AND PROFESSIONAL ADVISORS
FOR THE YEAR ENDED 31 MARCH 2022

BOARD

Christine McCormack
Morag Cameron
Claire Taylor
Helen Bayne
John Kilpatrick
Des Phee
Hilary Tennant
Catherine Jones
Louise Bacon
Gemma Woodrow
David Logan
Andrew Stevenson
Christine Leitch
Peter Menellis

Vice Chairperson

Treasurer
Chairperson
Secretary

Appointed 16 September 2021
Appointed 16 September 2021
Appointed 16 September 2021
Appointed 16 September 2021
Resigned 26 April 2021
Resigned 26 April 2021
Resigned 26 April 2021

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

EXECUTIVE OFFICERS

Linda Chelton - Director
David McKenzie

Appointed 25 October 2021
Resigned 28 September 2021

REGISTERED OFFICE

83/85 Dougrie Road
Castlemilk
Glasgow
G45 9NS

AUDITOR

Azets Audit Services
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

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 2022

The Board presents their report and financial statements for the year ended 31 March 2022.

Principal activities

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

Governance

Strengthening governance continues to be one of Craigdale's strategic objectives as contained within our Business Plan for 2019 – 2023. We have continued to strengthen our governance and our engagement plan from the Scottish Housing Regulator recognised this when we were classed as being fully compliant with a high level of assurance and the SHR needed no further assurance from us apart from the usual regulatory returns. 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 11 members, with 7 longer term members and at the AGM recruited 4 new board members. The new Members bring a wealth of experience in governance, maintenance and community investment; are a welcomed addition to the governing body and complement and enhance the experience and skill set held by the current governing body members.

Business Plan

The Association last revised its Business Plan in November 2020, and developed 6 strategic objectives:

- Providing excellent Customer Service
- Investing in our homes for a sustainable future
- Working with partners to improve communities and tenant's lives
- Delivering excellence in Governance, Risk Management and Assurance
- Demonstrate value for money and strong financial management
- Value our people

Our Business Plan and associated delivery plans will cover the period 2021-2024 and 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.

Staffing Update

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

Our former Chief Executive, David Mackenzie, left the Association in September 2021 and was succeeded by our new Chief Executive Officer, Linda Chelton.

Our Maintenance Officer Robert Allison left the organisation in June 2021 and Richard O'Brien started in post in September 2021.

CRAIGDALE HOUSING ASSOCIATION LIMITED
REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2022

Covid-19

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

We continued to provide services to our tenants remotely and ensured that strong governance has continued with all scheduled Committee and Board meetings taking place via video conferencing. Thankfully following Government guidelines we were able to re-open our office fully from September 2021 and apart from a period of high covid incidence amongst the staff in early 2022 this has been highly successful and welcomed by our tenants.

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 2022:

- 15 properties were re-let during the year
- The average time to re-let a property was 4.67 days
- Void loss was 0.06%
- Gross rent arrears were 2.17%
- 9 anti-social behaviour complaints were received and resolved in full
- 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 282 emergency repairs
- Average length of time taken to complete emergency repairs was 2.44 hours
- Tenants reported 740 non-emergency repairs
- Average length of time taken to complete non-emergency repairs was 4.53 days
- 96.85% of the Association's reactive repairs were completed right first time

As part of our planned maintenance programme we installed 48 new kitchens and boiler replacement where required in phase 8 & 9.

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. Unfortunately, due to the covid-19 restrictions this wasn't as comprehensive as usual but the following is a summary of the main community events, competitions and other projects run by the Association during the year:

- 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 LENS programme including a photography club

The Association is currently developing a wider action strategy for the coming financial year and the hope is to deliver more initiatives for tenants in partnership with other local organisations.

We received funding to deliver the LENS project and the photography group which is part of this is up and running and received a nomination for a Chartered Institute of Housing Award in November 2021.

CRAIGDALE HOUSING ASSOCIATION LIMITED
REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2022

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>

New Build

Our Phase 10 development received planning consent in February 2021 to build 36 new affordable homes at Glenacre Terrace. This development is providing 36 new affordable homes which are much needed in the area. This is our first new-build development since 2007 and we are all very excited and pleased with the progress of the new development. Completion of the new properties is due to be in the Autumn 2022.

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 (next page). The survey results demonstrate the high tenant satisfaction levels Craigdale has in relation to its service delivery and landlord functions. Our next full survey is in the late Spring of 2022.

CRAIGDALE HOUSING ASSOCIATION LIMITED
REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2022

Tenant Satisfaction (continued)

	2013	2016	2019	ARC 2018/19
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%	90%
How good or poor do you feel Craigdale is at keeping you informed about their services and decisions? (% very/ fairly good)	99%	100%	99%	92%
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%	86%
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%	92%
Overall, how satisfied or dissatisfied are you with the quality of your home? (% very/ fairly satisfied)	96%	99%	92%	88%
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%	83%
Overall, how satisfied or dissatisfied are you with your landlord's management of the neighbourhood you live in? (% very/ fairly satisfied)	99%	99%	98%	88%
Taking everything into account, how satisfied or dissatisfied are you with the factoring service provided by Craigdale Housing Association? (% very/ fairly satisfied)	-	-	86%	66%

CRAIGDALE HOUSING ASSOCIATION LIMITED
REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2022

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

The Board is responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the income and expenditure of the Association for that period. In preparing these 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 inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019 as issued by the Scottish Housing Regulator. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 £nil (2021 - £900).

Auditor

A resolution to appoint an auditor will be put to the members at the Annual General Meeting, following a procurement exercise for audit services.

The Report of the Board (incorporating the Strategic Report) has been approved by the Board on 29 August 2022 and signed on their behalf by:

Des Phee
Secretary



CRAIGDALE HOUSING ASSOCIATION LIMITED

BOARD'S STATEMENT ON INTERNAL FINANCIAL CONTROLS

FOR THE YEAR ENDED 31 MARCH 2022

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 2022 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 29 August 2022 and signed on their behalf by:

Des Phee
Secretary



CRAIGDALE HOUSING ASSOCIATION LIMITED

AUDITOR'S REPORT ON CORPORATE GOVERNANCE MATTERS

FOR THE YEAR ENDED 31 MARCH 2022

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 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 6 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.



Azets Audit Services

Chartered Accountants

Titanium 1

King's Inch Place

Renfrew

PA4 8WF

Dated: 29 August 2022

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 2022

Opinion

We have audited the financial statements of Craigdale Housing Association Limited (the 'Association') for the year ended 31 March 2022 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 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 2022 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 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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 2022

Other information (continued)

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

We have nothing to report in this regard.

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 5 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 is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either 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.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

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

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

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 2022

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Association through discussions with the Board members and the senior management team, and from our knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the senior management team and the Board and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

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 2022**

Use of our report

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



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

Date: 29 August 2022

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

CRAIGDALE HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	£	£
Turnover	4	1,910,061	<i>1,933,910</i>
Operating expenditure	4	(1,490,568)	<i>(1,555,417)</i>
Operating surplus	4	419,493	<i>378,493</i>
Interest receivable and other income	10	637	<i>3,015</i>
Interest payable and similar charges	11	(8,997)	<i>(10,754)</i>
Surplus before taxation		411,133	<i>370,754</i>
Taxation		-	-
Surplus for the year		411,133	<i>370,754</i>
Other Comprehensive Income			
Actuarial gain/(loss) on the SHAPS liability	23	130,563	<i>(219,000)</i>
Total comprehensive income for the year		541,696	<i>151,754</i>

The results for the year relate wholly to continuing activities.

The notes on pages 16 to 40 form part of these financial statements.

CRAIGDALE HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2022

	Share Capital	Revenue Reserves	Total Reserves
	£	£	£
Balance at 1 April 2021	74	6,921,067	6,921,141
Issue of shares	4	-	4
Cancellation of shares	(1)	-	(1)
Total comprehensive income	-	541,696	541,696
Balance at 31 March 2022	77	7,462,763	7,462,840

STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2021

	Share Capital	Revenue Reserves	Total Reserves
	£	£	£
<i>Balance at 1 April 2020</i>	145	6,769,313	6,769,458
<i>Issue of shares</i>	1	-	1
<i>Cancellation of shares</i>	(72)	-	(72)
<i>Total comprehensive income</i>	-	151,754	151,754
<i>Balance at 31 March 2021</i>	<i>74</i>	<i>6,921,067</i>	<i>6,921,141</i>

The notes on pages 16 to 40 form part of these financial statements.

CRAIGDALE HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Notes	2022 £	2021 £
Tangible fixed assets			
Housing properties	12a	18,163,950	16,382,052
Other Fixed Assets	12b	366,879	370,570
		<u>18,530,829</u>	<u>16,752,622</u>
Current assets			
Debtors	13	116,740	636,320
Cash at bank and in hand	14a	2,613,271	1,075,507
Short term deposits	14b	-	500,000
		<u>2,730,011</u>	<u>2,211,827</u>
Creditors			
Amounts falling due within one year	15	(898,070)	(625,334)
Net current assets		<u>1,831,941</u>	<u>1,586,493</u>
Total assets less current liabilities		<u>20,362,770</u>	<u>18,339,115</u>
Creditors			
Amounts falling due after more than one year	16	(1,143,249)	(1,271,682)
Pension - defined benefit liability	23	-	(175,000)
Deferred income			
Social housing grants	17	(11,578,321)	(9,786,072)
Other grants	17	(178,360)	(185,220)
Net assets		<u>7,462,840</u>	<u>6,921,141</u>
Capital and reserves			
Called up share capital	18	77	74
Revenue reserves	20	7,462,763	6,921,067
		<u>7,462,840</u>	<u>6,921,141</u>

The Financial Statements were authorised for issue by the Board of Management on 29 August 2022 and signed on its behalf by:

J Kilpatrick
Chairperson

D Phee
Secretary

H Bayne
Treasurer

The notes on pages 16 to 40 form part of these financial statements.

CRAIGDALE HOUSING ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Net cashflows from operating activities	21	1,394,286	150,962
Cash flow from investing activities			
Purchase of property components and properties		(2,275,765)	(616,754)
Capital Grants received		2,121,327	568,510
Purchase of other fixed assets		(14,923)	(168,991)
Movement of funds on deposit		500,000	-
Interest received		637	3,015
		<u>331,276</u>	<u>(214,220)</u>
Cash flow from financing activities			
Interest paid		(8,997)	(10,754)
Repayment of borrowings		(178,805)	(178,525)
Issue of share capital		4	1
		<u>(187,798)</u>	<u>(189,278)</u>
Net changes in cash and cash equivalents		<u>1,537,764</u>	<u>(252,536)</u>
Cash and cash equivalents at 1 April		<u>1,075,507</u>	<u>1,328,043</u>
Cash and cash equivalents at 31 March	14a	<u>2,613,271</u>	<u>1,075,507</u>

(i) Analysis of changes in net debt	At 1 April 2021 £	Cashflows £	Other non- cash changes £	At 31 March 2022 £
Cash and cash equivalents				
Cash	1,075,507	1,537,764	-	2,613,271
Overdrafts	-	-	-	-
Cash equivalents	500,000	(500,000)	-	-
	<u>1,575,507</u>	<u>1,037,764</u>	<u>-</u>	<u>2,613,271</u>
Borrowings				
Debt due within one year	(180,571)	50,372	-	(130,199)
Debt due after one year	(1,271,682)	128,433	-	(1,143,249)
	<u>(1,452,253)</u>	<u>178,805</u>	<u>-</u>	<u>(1,273,448)</u>
Total	<u>123,254</u>	<u>1,216,569</u>	<u>-</u>	<u>1,339,823</u>

The notes on pages 16 to 40 form part of these financial statements.

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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 Scottish charity and 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 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 2022, 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 2022 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 2023 and the year to 31 March 2024. 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 2022

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 2022

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 2022

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 2022

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 2022

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.

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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

		2022			2021		
		Turnover £	Operating Expenditure £	Operating Surplus/ (Deficit) £	Turnover £	Operating Expenditure £	Operating Surplus/ (Deficit) £
Income and expenditure from letting activities							
Affordable and expenditure from letting activities	5	1,907,946	(1,482,665)	425,281	1,899,392	(1,508,566)	390,826
Other activities	6	2,115	(7,903)	(5,788)	34,518	(46,851)	(12,333)
		<u>1,910,061</u>	<u>(1,490,568)</u>	<u>419,493</u>	<u>1,933,910</u>	<u>(1,555,417)</u>	<u>378,493</u>

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Particulars of income & expenditure from affordable letting activities

	General Needs Housing £	Shared Ownership £	2022 Total £	2021 Total £
Revenue from lettings				
Rent receivable net of service charges	1,540,788	5,150	1,545,938	1,523,204
Less: Rent Losses from Voids	(1,152)	-	(1,152)	(2,697)
Net rents receivable	1,539,636	5,150	1,544,786	1,520,507
Grants released from deferred income	333,962	1,976	335,938	345,029
Other revenue grants from Scottish Ministers	27,222	-	27,222	33,856
Total turnover from affordable letting activities	1,900,820	7,126	1,907,946	1,899,392
Expenditure on affordable letting activities				
Management and Maintenance administration costs	620,563	2,074	622,637	588,462
Planned and cyclical maintenance including major repairs	219,819	-	219,819	333,248
Reactive maintenance	141,204	-	141,204	72,950
Bad debts - rents and service charges	5,135	-	5,135	2,604
Depreciation of affordable let properties	491,162	2,708	493,870	511,302
Operating costs of affordable letting activities	1,477,883	4,782	1,482,665	1,508,566
Operating Surplus on affordable letting activities	422,937	2,344	425,281	390,826
Operating Surplus for affordable letting activities 2021	389,534	1,292		

The amount for service charges receivable on housing accommodation not eligible for Housing Benefit was £nil (2021 - £nil).

Included in depreciation of social housing is £3,920 (2021 - £12,146) relating to the loss on disposal of components.

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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) 2022 £	Operating surplus/ (deficit) 2021 £
Wider role activities	-	-	-	-	-	-	(5,788)	(5,788)	(12,523)
Bad Debt	-	-	-	-	-	-	-	-	190
Factoring	-	-	-	2,115	2,115	-	(2,115)	-	-
Total from other activities 2022	-	-	-	2,115	2,115	-	(7,903)	(5,788)	(12,333)
<i>Total from other activities 2021</i>	-	-	-	<i>34,518</i>	<i>34,518</i>	<i>190</i>	<i>(47,041)</i>		

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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.

	2022 £	2021 £
Aggregate emoluments payable to key management personnel (excluding Pension contributions)	<u>52,018</u>	<u>47,540</u>
Pension contributions payable to key management personnel with emoluments greater than £60,000	<u>-</u>	<u>-</u>
Emoluments payable to Chief Executive (excluding pension contributions)	<u>52,018</u>	<u>47,540</u>
Total emoluments paid to key management personnel	<u>54,734</u>	<u>52,294</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 £6,055 (2021 - £5,449).

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>-</u>

8. Employees information

	2022	2021
The average total number of employees employed during the year was:	<u>7</u>	<u>7</u>

	2022 £	2021 £
Wages and salaries	257,953	261,012
Social security costs	23,264	22,731
Pension costs	23,381	27,275
	<u>304,598</u>	<u>311,018</u>

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Employee information (continued)

During the year past service deficit contributions of £46,123 (2021 - £44,821) were paid. Of this payment £44,679 (2021 - £43,378) was a payment in respect of the SHAPS past service deficit liability. The remainder of £1,444 (2021 - £1,444) was pension management costs which have been included in the pension contributions total included in staff costs above.

	2022	2021
	£	£
9. Surplus for the year		
Surplus is stated after charging:		
Depreciation	512,481	516,765
Loss on disposal of components	3,920	12,146
Auditor's remuneration - Audit services	10,920	8,630
Auditor's remuneration - Non Audit services	720	-
	<u><u>512,481</u></u>	<u><u>516,765</u></u>
10. Interest receivable		
	2022	2021
	£	£
Bank interest	637	3,015
	<u><u>637</u></u>	<u><u>3,015</u></u>
11. Interest payable and similar charges		
	2022	2021
	£	£
On bank loans and overdrafts	8,997	10,754
Defined benefit pension liability – interest charge (Note 23)	-	-
	<u><u>8,997</u></u>	<u><u>10,754</u></u>

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

	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 2021	24,446,258	135,396	568,510	25,150,164
Additions during the year				
Property	-	-	2,121,327	2,121,327
Components	154,438	-	-	154,438
Disposals during the year				
Property	-	-	-	-
Components	(143,563)	-	-	(143,563)
As at 31 March 2022	24,457,133	135,396	2,689,837	27,282,366
Depreciation				
As at 1 April 2021	8,717,564	50,548	-	8,768,112
Charge for year	495,936	2,708	-	498,644
Disposals during the year				
Property	-	-	-	-
Components	(148,340)	-	-	(148,340)
As at 31 March 2022	9,065,160	53,256	-	9,118,416
Net book value				
As at 31 March 2022	15,391,973	82,140	2,689,837	18,163,950
<i>As at 31 March 2021</i>	<i>15,728,694</i>	<i>84,848</i>	<i>568,510</i>	<i>16,382,052</i>

Additions to housing properties include capitalised development administration costs of £nil (2021 - £nil) and capitalised major repair costs to existing properties of £154,438 (2021 - £54,844).

All land and housing properties are freehold.

Total expenditure on existing properties in the year amounted to £515,461 (2021 - £461,042). The amount capitalised is £154,438 (2021 - £54,844), with the balance of £361,023 (2021 - £406,198) charged to the Statement of Comprehensive Income. The amounts capitalised can be further split between component replacement of £154,438 (2021 - £54,844) and acquisitions of £nil (2021 - £nil).

Components with a cost of £143,563 (2021 - £82,824) and depreciation of £148,340 (2021 - £70,678) were disposed in the year.

Housing stock	2022 No	2021 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	146
Shared ownership	3	3
	372	372

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Tangible fixed assets

b) Other tangible assets

Cost	Computer Equipment £	Office Equipment £	Office Premises £	Furniture & Equipment £	Total £
As at 1 April 2021	38,394	25,346	491,292	13,557	568,589
Additions	5,496	-	131	9,296	14,923
Disposals	-	-	-	-	-
As at 31 March 2022	43,890	25,346	491,423	22,853	583,512
Depreciation					
As at 1 April 2021	34,457	25,346	127,833	10,383	198,019
Charge for year	5,400	-	9,832	3,382	18,614
Disposals	-	-	-	-	-
As at 31 March 2022	39,857	25,346	137,665	13,765	216,633
Net book value					
As at 31 March 2022	4,033	-	353,758	9,088	366,879
<i>As at 31 March 2021</i>	<i>3,937</i>	<i>-</i>	<i>363,459</i>	<i>3,174</i>	<i>370,570</i>

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
13. Debtors		
Arrears of Rent and Service Charges	38,692	47,458
Less: Provision for doubtful debts	<u>(24,500)</u>	<u>(24,500)</u>
	14,192	22,958
Other debtors	<u>102,548</u>	<u>613,362</u>
	<u>116,740</u>	<u>636,320</u>
	2022 £	2021 £
14a. Cash and cash equivalents		
Balances held in current accounts	<u>2,613,271</u>	<u>1,075,507</u>
	2022 £	2021 £
14b. Short term deposits		
Balances held in short term deposit accounts	<u>-</u>	<u>500,000</u>
	2022 £	2021 £
15. Creditors: Amounts falling due within one year		
Housing Loans	130,199	180,571
Trade Creditors	653,265	351,579
Rent in advance	72,532	75,958
Other Creditors	1,075	11,116
Accruals and deferred income	40,999	6,110
	<u>898,070</u>	<u>625,334</u>

At the Statment of Financial Position date there were pension contributions outstanding of £6,121 (2021 - £753).

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. Creditors: Amounts falling due after more than one year	2022	2021
	£	£
Housing loans	<u>1,143,249</u>	<u>1,271,682</u>
	<u>1,143,249</u>	<u>1,271,682</u>
Housing loans		
Amounts due within one year	130,199	180,571
Amounts due in one year or more but less than two years	190,654	93,597
Amounts due in two years or more but less than five years	574,207	286,798
Amounts due in more than five years	<u>378,388</u>	<u>891,287</u>
	1,273,448	1,452,253
Less: Amounts shown in current liabilities	<u>(130,199)</u>	<u>(180,571)</u>
	<u>1,143,249</u>	<u>1,271,682</u>

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

The Association has a number of long term housing loans, the terms and conditions of which fall into the following categories: £1,143,249 at base rate or one month SONIA 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 £7,920,311 (2021 - £8,092,563).

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

	Housing Properties For Letting £	Shared Ownership Properties £	Total £
17. Deferred income			
<u>Social Housing Grants</u>			
<i>Balances as at 1 April 2021</i>	17,002,034	115,281	17,117,315
<i>Additions</i>	2,121,327	-	2,121,327
<i>Eliminated on disposals components & properties</i>	(118,911)	-	(118,911)
Balances as at 31 March 2022	19,004,450	115,281	19,119,731
<u>Amortisation</u>			
<i>Balances as at 1 April 2021</i>	7,289,741	41,502	7,331,243
<i>Amortisation in year</i>	316,939	11,707	328,646
<i>Eliminated on disposal</i>	(118,479)	-	(118,479)
Balances as at 31 March 2022	7,488,201	53,209	7,541,410
NET BOOK VALUE:			
Balances as at 31 March 2022	11,516,249	62,072	11,578,321
<i>Balances as at 31 March 2021</i>	9,712,293	73,779	9,786,072
<u>Other grants:</u>			
<i>Balances as at 1 April 2021</i>	343,000	-	343,000
Balances as at 31 March 2022	343,000	-	343,000
<u>Amortisation</u>			
<i>Balances as at 1 April 2021</i>	157,780	-	157,780
<i>Amortisation in year</i>	6,860	-	6,860
Balances as at 31 March 2022	164,640	-	164,640
Net book value			
Balances as at 31 March 2022	178,360	-	178,360
<i>Balances as at 31 March 2021</i>	185,220	-	185,220
Total grants net book value as at 31 March 2022	11,694,609	62,072	11,756,681

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

	2022 £	2021 £
Amounts due within one year	335,938	335,564
Amounts due after more than one year	11,420,743	9,635,728
	11,756,681	9,971,292

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

18. Share capital	2022	2021
	£	£
Shares of £1 each issued and fully paid		
At 1 April 2021	74	145
Issued in year	4	1
Cancelled in year	(1)	(72)
Balance as at 31 March 2022	77	74

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 £17,723 (2021 - £12,619).

At the year end total rent arrears owed by the tenant members of the Board (and their close family) were £nil (2021 - £nil). The total prepaid rent relating to tenant members of the board (and their close family) included within creditors at the year end is £578 (2021 - £249).

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

20. Revenue reserves

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

21. Net cash generated from operating activities	2022 £	2021 £
Cash flow from operating activities		
Surplus for the year	411,133	370,754
<u>Adjustments for non cash items:</u>		
Depreciation of tangible fixed assets	512,481	528,911
(Increase) /decrease in trade and other debtors	519,822	(588,425)
Increase in trade and other creditors	323,108	221,084
<u>Adjustments for investing and financing activities:</u>		
Release of deferred Government capital grants	(335,938)	(345,029)
Shares cancelled	(1)	(72)
Interest payable	8,997	10,754
Interest receivable	(637)	(3,015)
SHAPS past deficit payment	(44,679)	(44,000)
	<u>1,394,286</u>	<u>150,962</u>

22. Governing body member emoluments

Board members received £nil (2021 - £nil) 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 2022

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 2 (2021 - 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	
5%)		
-	Rate of price inflation	3.5% per annum

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 2021. The information regarding the 30 September 2021 valuation, including the annual funding update is not yet available from TPT Retirement Solutions (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.

In May 2021, the Scheme Trustee notified employers of review of historic scheme benefit changes, and this review has raised legal questions regarding whether and when some historic benefit changes take effect, the outcome for which could give rise to an increase in liabilities for some employers. The Scheme Trustee has determined that it is prudent to seek clarification from the Court on these items. The process is ongoing, and the matter is unlikely to be resolved before late 2022 at the earliest.

On 4 May 2022, the Scheme Trustee issued an update to employers which included an estimate of the potential total liabilities at the total scheme level, on a Technical Provision basis. However, until court directions are received, it is not possible to calculate the impact of this issue on an individual employer basis with any accuracy and therefore the potential impact is not reflected in the year end carrying value of the SHAPS pension scheme.

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

23. Pension obligations (cont'd)

The main financial assumptions used by the Scheme Actuary, TPT, in their FRS 102 calculations are as follows:

Assumptions as at	31 March 2022
Inflation (RPI)	3.49%
Salary increases	4.15%
Discount rate	2.79%
Inflation (CPI)	3.15%
Allowance for communication of pension for cash on retirement	75% of maximum allowance

Mortality

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2022	21.6
Female retiring in 2022	23.9
Male retiring in 2042	22.9
Female retiring in 2042	25.4

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2016 model with an allowance for smoothing of recent mortality experience and long term rates of 1.5% p.a. for males and 1.25% p.a. for females.

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
Fair value of plan assets	1,736	1,672
Present value of defined benefit obligation	(1,736)	(1,847)
Defined benefit liability to be recognised	-	(175)

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

23. Pension obligations (cont'd)

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
Defined benefit obligation at start of period	(1,847)	(1,516)
Current service cost	-	-
Expenses	(1)	(1)
Interest expense	(40)	(35)
Actuarial (losses) due to scheme experience	(34)	(8)
Actuarial (losses) due to changes in demographic assumptions	(6)	-
Actuarial gains/(losses) due to changes in financial assumptions	161	(337)
Benefits paid and expenses	31	50
Defined benefit liability at the end of the period	(1,736)	(1,847)

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

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
Fair value of plan assets at start of the period	1,672	1,521
Interest income	37	36
Experience on plan assets (excluding amounts included in interest income) - gain	12	120
Contributions by the employer	46	45
Benefits paid and expenses	(31)	(50)
Fair value of plan assets at end of period	1,736	1,672

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

23. Pension obligations (cont'd)

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
Current service cost	-	-
Admin expenses	1	1
Net interest expense	3	-
Defined benefit costs recognised in Statement of Comprehensive Income	4	1

Defined benefit costs recognised in Other Comprehensive Income

	Year ended 31-Mar-22 £'000	Year ended 31-Mar-21 £'000
Experience on plan assets (excluding amounts included in net interest cost - gain	12	120
Experience (losses) arising on the plan liabilities - (loss)	(34)	(8)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – (loss)	(6)	(337)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	166	-
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - (loss)/gain	(5)	6
Total amount recognised in other comprehensive income – gain/(loss)	133	(219)

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

23. Pension obligations (cont'd)

Fund allocation for employer's calculated share of assets

	31-Mar-22 £'000	31-Mar-21 £'000
Global Equity	343	259
Absolute Return	79	82
Distressed Opportunities	62	57
Credit Relative Value	56	48
Alternative Risk Premia	72	67
Emerging Markets Debt	65	67
Risk Sharing	57	60
Insurance-Linked Securities	36	35
Property	45	30
Infrastructure	108	93
Private Debt	44	39
Opportunistic Illiquid Cost	57	43
High Yield	17	44
Opportunistic Credit	6	46
Cash	5	1
Corporate Bond Fund	110	126
Liquid Credit	11	29
Long Lease Property	50	39
Secured Income	93	92
Over 15 Year Gilts	1	1
Liability Driven Investment	419	402
Currency Hedging	(6)	-
Net Current Assets	6	12
Total Assets	1,736	1,672

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

23. Pension obligations (cont'd)

Member data summary

Active members

	Number	Total earnings (£'000s p.a.)	Average age (unweighted)
Males	-	-	-
Females	2	80	41
Total	2	80	41

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	1	6	54
Females	3	8	55
Total	4	14	54

Pensioners

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	2	9	66
Females	4	21	63
Total	6	31	64

Employer debt on withdrawal

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

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

The Association has been notified by TPT of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2021. As of this date the estimated employer debt for the Association was £806,023 (2020 - £1,247,648).

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

23. Pension obligations (cont'd)

GMP equalisation

Guaranteed Minimum Pension (GMP) is the minimum pension which an occupational pension scheme in the UK has to provide for those employees who were contracted out of the State Earnings-Related Pension Scheme (SERPS). Both pension scheme members and sponsoring employers paid lower National Insurance contributions at the time of accrual given the lower benefits being accrued for the member by the state. Women can currently receive their GMP benefits at age 60 compared to age 65 for men. GMP also accrued at a faster rate for women than men.

Historically, some defined benefit schemes had different retirement ages for men and women. Therefore schemes are required to "equalise" pension ages and overall benefit scales between males and females. The Scheme actuary is therefore required to estimate the impact of GMP and include an allowance for the increase in calculated liabilities.

24. Commitments under operating leases

At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:

	2022	2021
	£	£
Not later than one year	1,660	1,767
Later than one year and not later than five years	2,490	4,049
	<u>4,150</u>	<u>5,816</u>

25. Big Lottery Funding

The income received from the Big Lottery during the year was £nil (2021 - £9,300).

26. Capital Commitments

Capital expenditure that has been contracted for but has not been provided for in the Financial Statements is £2,946,643 (2021 - £nil) and will be financed by a mix of loans and grants.