

**CUNNINGHAME HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

Registered Housing Association Number:HCB195
Charity Registration Number: SC037972
FCA Reference Number: 2184 RS

CUNNINGHAME HOUSING ASSOCIATION LIMITED

CONTENTS

THE MANAGEMENT BOARD, EXECUTIVES AND ADVISERS..... 1

REPORT FROM THE BOARD OF MANAGEMENT 3

REPORT BY THE AUDITOR ON CORPORATE GOVERNANCE MATTERS 10

INDEPENDENT AUDITOR'S REPORT 11

STATEMENT OF COMPREHENSIVE INCOME 14

STATEMENT OF FINANCIAL POSITION 15

STATEMENT OF CASH FLOWS..... 16

STATEMENT OF CHANGES IN CAPITAL AND RESERVES 17

NOTES TO THE FINANCIAL STATEMENTS 18

**CUNNINGHAME HOUSING ASSOCIATION LIMITED
THE MANAGEMENT BOARD, EXECUTIVES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025**

MEMBERS OF THE BOARD OF MANAGEMENT

		Appointed	Resigned
Janet Strang	Chairperson		
Brenda Johnstone	Vice-Chair		
Drew Hall	Secretary		
John Kelly	Board Member		
William Gibson	Board Member		
June Fenelon	Board Member		25-Jul-25
John Nisbet	Board Member		
Brian McCabe	Board Member		
Elizabeth Shedden	Board Member		
Margaret Davison	Board Member		
Arlene McLaughlin	Board Member	19-Apr-24	
Chris Carroll	Board Member	19-Apr-24	17-Jun-25
Christopher Austin	Co-opted Board Member	20-Mar-25	
Councillor Stephen Canning	Board Member		
Councillor Eleanor Collier	Board Member		
Liam Loudon	Board Member		18-Jun-24

EXECUTIVE OFFICER

Frank A. Sweeney - Retired 9th May 2024
Jacqueline Cameron - Appointed 6th January 2025

EXECUTIVE DIRECTORS

Linda Anderson
Interim CEO commencing 9th May 2024 – 5th January 2025
Executive Director of Investment (Depute CEO)

John McIntyre – Appointed 2nd December 2024
Executive Director of Finance & Corporate Support

Jacqueline Cameron
Executive Director of Housing & Property Services
to 6th January 2025

**CUNNINGHAME HOUSING ASSOCIATION LIMITED
THE MANAGEMENT BOARD, EXECUTIVES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025**

REGISTERED OFFICE

Quayside offices
Marina Quay
Dock Road
Ardrossan
Ayrshire
KA22 8DA

AUDITOR

CT Audit Limited
Chartered Accountants &
Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

INTERNAL AUDITOR

Wbg Services LLP
168 Bath Street
Glasgow
G2 4TP

SOLICITORS

Messrs Taylor & Henderson
Solicitors
51 Hamilton Street
Saltcoats
KA21 5DX

SOLICITORS

Harper MacLeod LLP
Solicitors
Ca 'd'oro Building
45 Gordon Street
Glasgow
G1 3PE

SOLICITORS

BTO Solicitors LLP
One Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9QG

FINANCE AGENT

FMD Financial Services Ltd
3 Clairmount Gardens
Glasgow
G3 7LW

BANKERS

Santander
Customer Service Centre
Bootle
Merseyside
L30 4GB

CUNNINGHAME HOUSING ASSOCIATION LIMITED REPORT FROM THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2025

REPORT FROM THE BOARD OF MANAGEMENT

The Association's Board of Management presents their report and the audited Financial Statements for the year ended 31st March 2025.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.2184R(S) and the Housing (Scotland) Act 2010. The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SC037972. The Association's rules are based upon the SFHA Charitable Model Rules (Scotland) 2020.

Principal Activities

The objectives of the Association are:

- To provide for the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through the provision, construction, improvement and management of land and accommodation and the provision of care; and
- Any other purpose or object permitted under Section 24 of the Housing (Scotland) Act 2010 which is charitable both for the purpose of Section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and also in relation to the application of the Taxes Acts.
- The permitted activities and powers of the Association will include anything which is necessary or expedient to help the Association achieve these objects.
- The Association shall not trade for profit and any profits shall only be applied for the purpose of furthering the Association's objects and/or in accordance with these Rules.
- Nothing shall be paid or transferred by the way of profit to Members.

Review of business and future developments

Cunninghame Housing Association's Corporate Strategy and Business Plan covers the period 2023 to 2028 and is reviewed and updated on an annual basis. The last review and update was carried out in May 2025 by the Board of Management. This is our key strategic document which sets out and communicates our vision, objectives, strategic direction and timescales for implementation.

CHA's mission is to be *more than just a landlord by making our communities better places*. This, together with our corporate values, defines how we operate, engage with our stakeholders and deliver on our objectives.

The Group's long-term strategy to achieve our objectives is supported by our 30-year financial projections, our 5-year financial plan and our operational targets and budgets. The Association recognises our responsibility to operate in an environmentally, socially and economically sustainable way. Our aim is to deliver high quality affordable homes and services while reducing environmental impact, supporting thriving communities and ensuring financial resilience. Recent initiatives include a project on the island of Cumbrae, improving the energy efficiency of these homes through various upgrades including air source heat pumps. We are in the process of revising our asset management strategy which will incorporate proposals for reducing the carbon footprint of our stock over a five year period. This strategy will reiterate our commitment to achieve net zero in line with the Scottish Government awaited guidance, subject to securing funding to deliver upgrades. Our plans for the future will also include a wider sustainability strategy for the organisation which will set key sustainability objectives for us as a business and within the communities in which we serve.

CUNNINGHAME HOUSING ASSOCIATION LIMITED REPORT FROM THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2025

Objectives

As part of our recent annual governance review of the Corporate Strategy and Business Plan the Association reviewed its six strategic objectives, to ensure that they continue to drive business development and deliver the highest quality outcomes for our tenants.

Our strategic objectives are:

Customers First

To deliver high quality, customer driven service by putting tenants, customers and communities at the heart of planning and decision making.

Growth

To achieve growth and financial sustainability through partnership working.

Quality

To provide affordable, high-quality homes that meet current and future needs and aspirations of our customers and our communities.

Regeneration

To support the social and economic regeneration of our communities.

Corporate Social Responsibility

To deliver effective leadership, governance and brand positioning to positively impact on our business, our people and the communities in which we operate.

Continuous Improvement

To seek continuous improvement in our operations by investing in and developing further all our people and our business processes.

Governance

The members of the Governing Body (Board of Management) and the Group Chief Executive and Executive Directors are listed on Page 1. Our Board has 13 members with a wide range of skills and experience. The office bearers are elected annually by the Board of Management. Each member of the Board of Management holds one fully paid share of £1 in the Association. Members of the Board of Management undertake their work in a voluntary, unpaid capacity.

The Board are responsible for setting the Association's strategy, policy and overall direction. During the year the Board of Management and its various Sub Committees hold regular meetings. The Sub Committees are responsible for monitoring specific operational areas of the business, and they receive regular reports from the Executive Directors on activities undertaken and performance against targets.

Principal Activities and Business Need

Cunninghame Housing Association Limited's principal activities are the provision and management of affordable housing across the North and East Ayrshire, and Dumfries & Galloway regions. We also engage in social and economic development initiatives including employment and training, social enterprise centres and community hubs.

CUNNINGHAME HOUSING ASSOCIATION LIMITED REPORT FROM THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2025

Within our group structure, we have two subsidiary companies, Cunninghame Furniture Recycling Company which is primarily involved with the recycling and reuse of furniture, and Citrus Energy which focuses on commercial energy services.

Highlights of performance for the year – CHA Group

During 2024/25, the Group of Companies:

- Completed 65 new affordable homes for rent.
- Undertook a review of service charges across our stock portfolio.
- Carried out a structural review at senior management level.
- Introduced a new Corporate Succession Plan.
- Carried out energy efficiency improvements to 24 homes in Millport, allowing them to achieve significantly improved energy efficiency ratings.
- Introduced a new contractor system for Direct Works which supports real time satisfaction surveying
- Received £100k in Gift Aid from Citrus Energy to support our fuel poverty service.

Investment in our Homes

Maintaining our housing stock to the highest possible quality standards is a key priority for us and this is reflected in our Asset Management Strategy, which is currently under review. We delivered a full programme of component replacement and improvement work during the year across our stock.

New Build Housing

We have recognised the challenges faced in delivering new homes against a backdrop of unprecedented increases in costs and significant price rises. In 2023, a decision was taken by the Board to scale down development activity to allow costs to stabilise and grant to be reviewed to better support project delivery.

The provision of new homes remains one of our key objectives and growth, albeit on a smaller scale, is still projected over the next five years.

Charitable Donations

During the year, the Association made charitable donations amounting to £36,645 (2024 - £29,570).

Financial Review

The results for the year are as shown in the attached Statement of Comprehensive Income. The surplus for the year was £1,316,752 (2024 £555,831) - this is before pension adjustments of £122,000 (2024 -£598,000).

Net assets are now £21,975,705 (2024 £20,536,951). The operating surplus for the year is after a gain of £45k on disposals and Gift Aid of £100k received from our subsidiary company Citrus Energy Limited.

There are no issues with regards to Going Concern, which is detailed within our principal accounting policies on page 17.

CUNNINGHAME HOUSING ASSOCIATION LIMITED

REPORT FROM THE BOARD OF MANAGEMENT

FOR THE YEAR ENDED 31 MARCH 2025

Reserves

At the year end the Association's total reserves of £21.98m which represents the value of assets less liabilities at the period end. The Association needs to have reserves to ensure that the organisation can function into the future and meet its future liabilities including the repair, maintenance and investment needs of its properties. The Association regularly reviews and updates its long term projections in order to demonstrate that the financial position of the Association remains viable over the short, medium and longer term.

Risk Management

The Association operates a robust Risk Management Strategy and Framework, which includes both strategic and operational risk registers. Risk management is embedded within our governance processes and is a standing item on each Board of Management agenda.

In May 2025, the strategic risk register was formally reviewed as part of the annual Business Plan review. Our highest-rated strategic risks have been identified as follows:

Risk Description	Risk Status Colour/Number
1. Rising costs affecting the viability of the organisation	108
2. Breach of loan covenants	72
3. Non compliance with regulatory and statutory requirements	50
4. Reputational damage to CHA Group-adverse press/rent levels/damp	48
5. Cyber security incident	48

These scores reflect the residual risk score, after all mitigating actions and controls have been considered.

Top mitigating controls, which is not an exhaustive list are:

- Risk score 108:** Long term financial planning, annual budget monitoring, procurement processes, paused development programme.
- Risk score 72:** Quarterly management accounts, detailed covenant analysis, annual budget with sensitivity analysis.
- Risk score 50:** Governance self-assurance review, risk management framework, regular compliance monitoring reports.
- Risk score 48:** Annual complaints report, Satisfaction surveys, performance monitoring framework, publicity of positive work.
- Risk score 48:** The Association recognises the risks associated with cyber security threats. Significant activity has been undertaken in this area, including achieving Cyber Essentials Plus accreditation, enhanced staff training, configuring MFA (Multi Factor Authentication) across all ICT infrastructure, external testing and review of our firewalls and external defence applications. The strategic risk register is subject to ongoing review throughout the year by the Board of Management to ensure that emerging risks are identified and addressed in a timely manner.

CUNNINGHAME HOUSING ASSOCIATION LIMITED REPORT FROM THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2025

Annual Assurance Statement

In 2024, the Association commissioned an external consultant to undertake a light-touch review of Cunninghame Housing Association's (CHA) compliance with the Scottish Housing Regulator's (SHR) Regulatory Standards of Governance and Financial Management. This review supported the Association's submission of its Annual Assurance Statement to the SHR.

The purpose of the Annual Assurance Statement is for Boards and Committees to confirm that they are assured their organisation complies with all regulatory requirements and standards, or to identify any areas requiring improvement. The statement submitted by each RSL's governing body confirms its level of compliance with all relevant requirements outlined in Section 3 of the SHR's Regulatory Framework.

The outcome of the 2024 review confirmed that CHA was fully compliant with the regulatory standards, with no areas of material non-compliance identified.

To strengthen ongoing compliance and internal assurance, the Board approved the establishment of an Assurance Working Group (AWG) in 2025. The AWG is tasked with reviewing two regulatory standards each year, supported by periodic external validation. In 2025, the group reviewed Regulatory Standard 1 in February and is scheduled to review Regulatory Standard 4 in July. A further meeting is planned for October 2025 to prepare the Annual Assurance Statement for Board consideration and approval, prior to submission to the SHR by the statutory deadline of 31st October.

Plans for the Future

In May 2025, the Board of Management conducted a light-touch review of the Association's Corporate Strategy and Business Plan. This exercise ensured continued alignment with the organisation's strategic objectives and confirmed that the Association remains focused on the critical success factors needed to achieve its long-term goals.

By maintaining a clear understanding of the external environment, as well as the evolving needs of tenants and stakeholders, CHA is committed to delivering high-quality services that meet customer expectations and support the delivery of its vision over the five-year planning period.

Board of Management and Executive Officers

Each member of the Board of Management holds one fully paid share of £1 in the Association. The Executive Officer & Executive Directors of the Association hold no interest in the Association's share capital and although not having the legal status of a director they act as an executive within the authority delegated by the Board.

Council positions are held on the Board and representatives are appointed directly by the Council.

Co-opted positions are held for an annual period. Co-opted members must stand to be re-appointed if they wish to be on the board the following year.

**CUNNINGHAME HOUSING ASSOCIATION LIMITED
REPORT FROM THE BOARD OF MANAGEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

Statement of Board of Management's responsibilities

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

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

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements - 2024. 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. It is also responsible for ensuring the Association's suppliers are paid promptly.

The Board of Management must in determining how amounts are presented within items in the Statement of Comprehensive Income and Statement of Financial Position, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Board of Management are aware:

- There is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's auditor is unaware, and
- The Board of Management have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditor is aware of that information.

Statement on Internal Financial Control

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

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

CUNNINGHAME HOUSING ASSOCIATION LIMITED
REPORT FROM THE BOARD OF MANAGEMENT
FOR THE YEAR ENDED 31 MARCH 2025

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

- Formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- Experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- Forecasts and budgets are prepared which allow the Association's Group Chief Executive and the Executive Management Team and the Board of Management to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- Quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Management;
- The Board of Management receive reports from the Group Chief Executive and the Executive Management Team and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken; and
- Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal and external audit reports.

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

Auditor

A resolution to re-appoint the auditor, CT Audit Limited, will be proposed at the Annual General Meeting on 3rd September 2025.

By order of Board of Management



Drew Hall
Company Secretary
21st August 2025

CUNNINGHAME HOUSING ASSOCIATION LIMITED
REPORT BY THE AUDITOR ON CORPORATE GOVERNANCE MATTERS
FOR THE YEAR ENDED 31 MARCH 2025

In addition to our audit of the Financial Statements, we have reviewed your statement on page 8 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.


Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 8 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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



Jeremy Chittleburgh CA (Senior Statutory Auditor)
For and on behalf of CT Audit Limited
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

21st August 2025

CUNNINGHAME HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2025

OPINION

We have audited the financial statements of Cunninghame Housing Association for the year ended 31 March 2025 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in capital and reserves and related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2025 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 properly 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 2024.

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 housing association in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Councils 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 opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our

CUNNINGHAME HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2025

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

In the light of our knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Management.

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the Association in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation;
- the Statement of Comprehensive Income and Statement of Financial Position are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE BOARD OF MANAGEMENT

As explained more fully in the Board of Management's responsibilities statement set out on page 7, the Board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members 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 of Management 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 members 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: We gained an understanding of the legal and regulatory framework applicable to the Association and the industry in which it operates and considered the risk of acts by the Association which were contrary to applicable laws and

CUNNINGHAME HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2025

regulations, including fraud. These included but were not limited to the Housing SORP 2018, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland) Act 2010.

We focused on laws and regulations that could give rise to a material misstatement in the Association's financial statements. Our tests included, but were not limited to:


- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the members;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

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 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.



Jeremy Chittleburgh CA (Senior Statutory Auditor)
For and on behalf of CT Audit Limited
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

21st August 2025

CT Audit limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CUNNINGHAME HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2025 £	2024 £
REVENUE	2	26,421,874	24,141,205
Operating costs	2	<u>(19,208,358)</u>	<u>(18,353,131)</u>
OPERATING SURPLUS	9	7,213,516	5,788,074
(Loss)/Gain on disposal of housing properties	7	43,208	(67,955)
Gain /(Loss) - Other Fixed Assets	7	2,000	39,671
Gift Aid from Subsidiaries		100,000	-
Interest receivable and other similar income		52,371	62,141
Interest payable and other similar charges	8	(6,041,344)	(5,243,100)
Other Finance Charges	11	<u>(53,000)</u>	<u>(23,000)</u>
		<u>(5,896,763)</u>	<u>(5,232,243)</u>
SURPLUS FOR THE YEAR		1,316,752	555,831
OTHER COMPREHENSIVE INCOME			
Initial recognition of multi-employer defined benefit scheme	25	-	-
Actuarial (losses)/gains in respect of pension scheme	25	122,000	(598,000)
TOTAL COMPREHENSIVE INCOME		<u>1,438,752</u>	<u>(42,169)</u>

The results for the year relate wholly to continuing activities.

The financial statements were approved by the Board of Management, authorised for issue, and signed on its behalf on 21st August 2025.

Janet Strang
Chairperson

Brenda Johnstone
Vice Chairperson

Drew Hall
Secretary

CUNNINGHAME HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF FINANCIAL POSITION

	Notes	2025 £	2024 £
NON-CURRENT ASSETS			
Housing properties - depreciated cost	12(a)	305,642,774	301,569,689
Other tangible fixed assets	12(b)	<u>3,768,737</u>	<u>3,979,998</u>
		309,411,511	305,549,687
CURRENT ASSETS			
Debtors	14	4,010,094	3,296,589
Cash at bank and in hand		<u>2,826,281</u>	<u>858,040</u>
		6,836,375	4,154,629
CREDITORS: amounts falling due within one year	15	<u>(6,587,177)</u>	<u>(21,596,216)</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>249,198</u>	<u>(17,441,586)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		309,660,709	288,108,101
CREDITORS: amounts falling due after more than one year			
housing property loans	16	(113,629,180)	(97,070,592)
PROVISIONS FOR LIABILITIES			
Pension - defined benefit liability	25	<u>(1,018,000)</u>	<u>(1,087,000)</u>
		(114,647,181)	(98,157,592)
DEFERRED INCOME			
Social Housing Grants	19	(172,062,343)	(168,404,807)
Other Fixed Asset Grants	19	<u>(975,480)</u>	<u>(1,008,751)</u>
		<u>21,975,705</u>	<u>20,536,951</u>
EQUITY			
Share capital	20	46	44
Revenue reserve		<u>21,975,659</u>	<u>20,536,907</u>
		<u>21,975,705</u>	<u>20,536,951</u>

The results for the year relate wholly to continuing activities.

The notes on page 18 to 40 form part of these financial statements.

The financial statements were approved by the Board of Management, authorised for issue, and signed on its behalf on 21st August 2025.

Signed by:

Signed by:

Janet Strang
Chairperson

Brenda Johnstone
Vice Chairperson

Drew Hall
Secretary

CUNNINGHAME HOUSING ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF CASH FLOWS

		2025	2024
	Notes	£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	17	<u>10,920,080</u>	<u>9,272,396</u>
INVESTING ACTIVITIES			
Acquisition and construction of housing properties	(12,339,931)	(21,320,251)	
Acquisition other fixed assets	(41,077)	(170,489)	
Proceeds of disposals of housing properties	85,560	-	
Proceeds of disposals of Other Fixed Assets	2,000	39,671	
Grants received	7,440,850	8,674,443	
Grants repaid	(20,663)	-	
Gift Aid from Subsidiary	100,000		
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES		<u>(4,773,260)</u>	<u>(12,776,626)</u>
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		6,146,820	(3,504,230)
FINANCING ACTIVITIES			
Loan advance received	19,000,000	8,500,000	
Issue of ordinary share capital	5	1	
Interest received	52,371	62,141	
Inter-company investment	122,475	75,000	
Interest paid	(6,041,344)	(5,243,100)	
Loan principal repayments	(17,312,086)	(2,266,020)	
NET CASH INFLOW /(OUTFLOW) FROM FINANCING		<u>(4,178,579)</u>	<u>1,128,022</u>
INCREASE / (DECREASE) IN CASH		1,968,241	(2,376,208)
OPENING CASH AND CASH EQUIVALENTS		858,040	3,234,248
CLOSING CASH AND CASH EQUIVALENTS		<u>2,826,281</u>	<u>858,040</u>

CUNNINGHAME HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2025

STATEMENT OF CHANGES IN CAPITAL AND RESERVES

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2024	44	20,536,907	20,536,951
Issue of Shares	5	-	5
Cancelled shares	(3)	-	(3)
Surplus for Year	-	1,316,752	1,316,752
Other comprehensive income	-	122,000	122,000
Balance as at 31 March 2025	<u>46</u>	<u>21,975,659</u>	<u>21,975,705</u>

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2023	44	20,579,076	20,579,120
Issue of Shares	1	-	1
Cancelled shares	(1)	-	(1)
Surplus for Year	-	555,831	555,831
Other comprehensive income	-	(598,000)	(598,000)
Balance as at 31 March 2024	<u>44</u>	<u>20,536,907</u>	<u>20,536,951</u>

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Legal status

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered by the Financial Conduct Authority. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

Basis of Accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for Social Housing Providers 2018 and comply with the requirements of the Determination of Housing Requirements 2024 as issued by the Scottish Housing Regulator.

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

The following principal accounting policies have been applied:

Going Concern

The Board of Management have assessed the Association's ability to continue as a going concern and have reasonable expectations that the Association has adequate resources to continue in operational existence for the foreseeable future. Long term projections are reviewed twice a year for revenue income, capital income and costs and are reported to the Board of Management. Thus, they continue to adopt the going concern basis accounting in preparing these financial statements.

The Association has taken into account the current economic conditions in its consideration and is satisfied that the Association has adequate resources to manage the impact of this on an ongoing basis.

Revenue

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

Government Grants are released to income over the expected useful life of the asset to which it relates. Revenue grants and funding are released as per the terms of the award or as agreed outcomes are achieved.

Development administration costs

Development costs incremental to the other costs of the Association have been capitalised.

Government grants received in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

Cyclical and major repairs

The Association seeks to maintain its properties to the highest standard. To this end programmes of cyclical repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components. It is expected that the costs of these repairs would be charged to the Statement of Comprehensive Income.

In addition, the Association completes programmes of major repairs to cover for works which have become necessary since the original development was completed, including works required by legislative changes. This

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

includes replacement or repairs to features of the properties which have come to the end of their economic lives. The costs of these repairs would be charged to the Statement of Comprehensive Income, unless it was agreed that they could be capitalised within the terms outlined in the SORP.

Retirement Benefits

The Association participates in the Scottish Housing Association Defined Benefits Pension Scheme 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 Association accounts for the pension scheme on a defined benefit basis based on its share of scheme assets and liabilities as determined by the scheme actuary. Defined benefit costs are recognised in the Statement of Comprehensive Income within operating costs. Actuarial gains and losses are recognised in Other Comprehensive Income. Further details are disclosed in the notes to the accounts.

The Association closed the defined benefit scheme at 1st July 2014 and transferred staff over to the SHAPS defined contribution scheme. Auto enrolment commenced for the Association on 1st July 2014 for all eligible staff through Scottish Widows. The costs to the Association of such pension contributions are charged to the Statement of Comprehensive Income.

Valuation of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 12. CHA has a minimum capitalisation policy of £1,000. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

Component	Useful Economic Life
Kitchens	18 Years
Bathrooms	25 Years
Central Heating	18 Years
Windows	25 Years
PV Solar Panels	25 Years
Roofs	55 Years
Structure	60 Years

Depreciation and Impairment of Other Non-Current Assets

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

Office Premises	50 years
Commercial premises	50 years
Fixtures and Fittings	3 years
Office Equipment	5 years
Motor Vehicles	7 years
Plant & Machinery	5 years

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

There was a change in depreciation charge for all new vehicles purchases from 21/22. All pre April 21 vehicles were depreciated over 5 years. All new purchases from April 21 have been depreciated over 7 years based on the current useful life of the assets.

The carrying value of non-current assets is reviewed for impairment at the end of each reporting year.

Social Housing Grant and Other Grants in Advance/Arrears

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

Social Housing Grant attributed to individual components is written off to the Income and Expenditure Account when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account in the same year as the expenditure to which it relates.

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

Sales of Housing Properties

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

Disposals of housing property under the Right to Buy scheme are treated as a non-current asset disposal and any gain and loss on disposal accounted for in the Statement of Comprehensive Income.

Estimation Uncertainty

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

Rent Arrears - Bad Debt Provision

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

Life Cycle of Components

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

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Useful Lives of Other Fixed Assets

The useful lives of other fixed Assets are based on the knowledge of senior management at the Association with reference to expected asset life cycles.

Pension Liabilities

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.

Costs of Shared Ownership

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

Leases/Leased Assets

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

Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

Development Interest

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

Key Judgements made in the application of Accounting Policies

a) The Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Financial Instruments – Basic

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

These are recognised in accordance with Section 11 of Financial Reporting Standard 102.

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

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

2. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS

		2025			2024		
	Note	Revenue £	Operating Costs £	Operating surplus/ (deficit) £	Revenue £	Operating Costs £	Operating surplus/ (deficit) £
Social letting activities	3	24,812,784	(16,960,268)	7,852,516	22,955,090	(16,990,657)	5,964,433
Other activities	4	1,609,090	(2,248,090)	(639,000)	1,186,115	(1,362,474)	(176,359)
Total		<u>26,421,874</u>	<u>(19,208,358)</u>	<u>7,213,516</u>	<u>24,141,205</u>	<u>(18,353,131)</u>	<u>5,788,074</u>

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing £	Supported Housing £	Shared Ownership Housing £	2025 Total £	2024 Total £
Revenue from lettings					
Rent receivable net of identifiable service charges	19,943,728	-	51,642	19,995,370	18,469,399
Service charges receivable	355,186	-	483	355,669	337,481
Gross rents receivable	<u>20,298,914</u>	<u>-</u>	<u>52,125</u>	<u>20,351,039</u>	<u>18,806,880</u>
Less rent losses from voids	(62,140)	-	-	(62,140)	(68,540)
Net rents receivable	<u>20,236,774</u>	<u>-</u>	<u>52,125</u>	<u>20,288,899</u>	<u>18,738,340</u>
Amortisation of Social Housing & Other Grants	4,509,822	-	-	4,509,822	4,188,920
Revenue grants from local authorities and other agencies	14,063	-	-	14,063	27,830
Total income from social letting	<u>24,760,659</u>	<u>-</u>	<u>52,125</u>	<u>24,812,784</u>	<u>22,955,090</u>
Expenditure on social letting activities					
Management and maintenance administration costs	5,534,348	25,922	14,211	5,574,481	5,493,605
Service costs	412,903	-	483	413,386	456,933
Planned and cyclical maintenance including major repairs	1,592,474	9,338	-	1,601,812	1,553,371
Reactive maintenance	1,860,392	787	-	1,861,179	2,156,237
Bad debts - rents and service charges	157,209	-	-	157,209	147,918
Depreciation of social housing costs	7,316,612	13,375	22,214	7,352,201	6,799,865
Impairment of Housing Properties	-	-	-	-	382,728
Operating costs of social letting	<u>16,873,937</u>	<u>49,422</u>	<u>36,908</u>	<u>16,960,268</u>	<u>16,990,657</u>
Operating surplus /(deficit) on social letting activities	<u>7,886,722</u>	<u>(49,422)</u>	<u>15,217</u>	<u>7,852,516</u>	<u>5,964,433</u>
2024	<u>6,424,887</u>	<u>(473,049)</u>	<u>12,595</u>	<u>5,964,433</u>	

Impairment of Housing properties was £nil (2024 £382,728) for our Victoria House hostel.
The supported housing unit closed during 2020-2021.

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

4. PARTICULARS OF INCOME AND EXPENDITURE FROM OTHER ACTIVITIES

	Other revenue grants	Supporting people income	Other income	Total Turnover	Operating costs bad debts	Operating costs other	Operating surplus/ (deficit) 2025	Operating surplus/ (deficit) 2024
	£	£	£	£	£	£	£	£
Amortisation Other Fixed Assets	-	-	33,272	33,272	-	-	33,272	33,272
Leasehold/Commercial	-	-	70,689	70,689	-	(25,176)	45,513	(18,407)
Regeneration & Enterprise	-	-	271,446	271,446	-	(499,431)	(227,985)	(155,489)
Factoring	-	-	186,942	186,942	(40,949)	(138,547)	7,446	(19,590)
Direct Works -DLO	-	-	203,007	203,007	-	(203,007)	-	-
Subsidiary	-	-	137,501	137,501	-	(137,501)	-	-
Fuel Poverty	369,407	-	109,201	478,608	-	(478,608)	(0)	(5,360)
Other Development costs	10,291	-	217,334	227,625	-	(724,871)	(497,246)	(10,785)
TOTAL FROM OTHER								
ACTIVITIES	379,698	-	1,229,392	1,609,090	(40,949)	(2,207,141)	(639,000)	(176,359)
TOTAL FROM OTHER								
ACTIVITIES FOR 2024	308,121	-	877,994	1,186,115	(40,949)	(1,321,525)	(176,359)	

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

5. BOARD MEMBERS AND OFFICERS EMOLUMENTS

The officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Board of management, managers, and employees of the Association.

	2025	2024
	£	£
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	<u>789,696</u>	<u>736,517</u>
Emoluments payable to the Chief Executive & Interim CEO (excluding pension contributions)	<u>240,780</u>	<u>222,983</u>
Pension contributions paid on behalf of the Chief Executive	<u>23,232</u>	<u>34,365</u>
Total Emoluments paid to key management personnel:	<u>426,578</u>	<u>577,205</u>
Total number of officers, including the highest paid officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:		
£60,001 - £70,000	7	3
£70,001 - £80,000	-	2
£80,001-£90,000	2	1
£90,001-£100,000	1	-
£100,001- £110,000	1	2
£110,001-£120,000	1	-
£120,001-£130,000	-	-
£130,001-£140,000	1	
£140,001-£180,000	-	2
Compensation for loss of office for key management personnel	<u>1</u>	<u>1</u>
Compensation for loss of office for key management personnel	<u>95,779</u>	<u>94,415</u>
Expenses paid to the Board	<u>2,343</u>	<u>460</u>

Expenses paid to the Board are reimbursement of expenses. No remuneration is paid to the Board members in respect of their duties to the Association.

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

6. EMPLOYEE INFORMATION

	2025	2024
	£	£
Staff costs during the year:		
Wages and salaries	4,957,617	4,859,362
Social security costs	475,365	456,219
Other pension costs	497,631	466,004
Employer past service pension deficit costs	13,749	13,349
	<u>5,944,362</u>	<u>5,794,933</u>
	Number	Number
The average number of full time equivalent persons employed during the year was	<u>127</u>	<u>119</u>

7. GAIN ON SALE

	2025	2024
	£	£
Sales Proceeds	86,251	-
Cost of sales - NBV	(21,689)	(176,333)
Cost of sales - Legal	(691)	-
Repayment of Grant from sales proceeds	(20,663)	-
Cost of sales - NBV Grants	-	108,378
(Loss) /Gain on Disposal	<u>43,208</u>	<u>(67,955)</u>

Loss on part disposal/demolition of Ladyland House 2023-2024.

Other Fixed Assets Sales Proceeds	2,000	39,671
Cost of sales - NBV	-	-
Cost of sales - Other costs	-	-
Repayment of Grant from sales proceeds	-	-
Gain /(Loss) on Disposal	<u>2,000</u>	<u>39,671</u>

Disposal of Motor Vehicle in year.

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2025	2024
	£	£
Bank and housing loan interest	6,465,199	5,895,764
Interest capitalised in housing properties	(423,855)	(652,663)
	<u>6,041,344</u>	<u>5,243,100</u>

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

9. OPERATING SURPLUS FOR THE YEAR

	2025	2024
	£	£
Surplus is stated after charging:		
Depreciation of tangible owned fixed assets	7,604,539	7,108,244
Gain(loss) on sale of housing property	-	-
Disposal of housing property	43,208	(67,954)
Gain(loss) on sale of Other Fixed Assets	2,000	39,671
Auditors' remuneration	18,840	20,460
Operating lease rentals	66,125	63,228
- other	56,495	31,571
Bad debts	157,209	147,918
Amortisation of capital grants	<u>4,543,094</u>	<u>4,222,192</u>

10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

The Association is a Registered Scottish Charity and is exempt from Corporation Tax on its charitable activities.

11. OTHER FINANCE CHARGES

	2024	2023
	£	£
Net interest costs	<u>53,000</u>	<u>23,000</u>

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

12. (a) NON-CURRENT ASSETS

a) Housing Properties	Housing Properties Held for Letting	Housing Properties in the Course of Construction	Completed Shared Ownership Properties	Total
	£	£	£	£
COST				
At start of year	349,446,343	27,559,072	1,367,971	378,373,386
Additions	5,013,081	7,134,206	-	12,147,287
Disposals Components	(1,148,643)	-	(35,122)	(1,183,765)
Disposals Stock	-	(700,312)		(700,312)
Impairment	-			-
Transfers of stock	19,995,069	(19,995,069)	-	-
At end of year	<u>373,305,850</u>	<u>13,997,897</u>	<u>1,332,849</u>	<u>388,636,596</u>
DEPRECIATION				
At start of year	76,502,028	-	301,669	76,803,697
Charged during year	7,329,987	-	22,214	7,352,201
Eliminated on disposal Comp	(1,148,643)	-	(13,433)	(1,162,076)
Eliminated on disposal Stock	-	-	-	-
At end of year	<u>82,683,372</u>	<u>-</u>	<u>310,450</u>	<u>82,993,822</u>
NET BOOK VALUE				
At end of year	<u>290,622,478</u>	<u>13,997,897</u>	<u>1,022,399</u>	<u>305,642,774</u>
At start of year	<u>272,944,315</u>	<u>27,559,072</u>	<u>1,066,302</u>	<u>301,569,689</u>

There is an impairment charge of £0, (2024-£382,728 Victoria House) recognised in the year.

Additions to housing properties costs of £12m, includes capitalised development administration costs of £429,448 (2024 - £603,760) and capitalised major repair costs to existing properties of £2,283,581 (2024 - £1,777,276) and capitalised interest of £133,525 (2024 - £652,663).

The Association's lenders have standard securities over housing property with an existing use value of £152,920,000 (2024 -£146,810,000).

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

b) OTHER TANGIBLE ASSETS

	Freehold Property £	Equip, Furn & Fittings £	Motor Vehicles £	Plant & Equipment £	Total £
COST					
At start of year	7,307,855	1,376,046	787,553	21,774	9,493,228
Additions	-	13,553	27,524	-	41,077
Disposals	-	(276,686)	(20,530)	-	(297,217)
At end of year	<u>7,307,855</u>	<u>1,112,912</u>	<u>794,547</u>	<u>21,774</u>	<u>9,237,088</u>

DEPRECIATION

At start of year	3,772,594	1,366,300	364,266	10,070	5,513,230
Charged during year	142,811	10,140	94,352	5,035	252,338
Disposals	-	(276,686)	(20,530)	-	(297,217)
At end of year	<u>3,915,405</u>	<u>1,099,754</u>	<u>438,087</u>	<u>15,105</u>	<u>5,468,351</u>

NET BOOK VALUE

At end of year	<u>3,392,450</u>	<u>13,159</u>	<u>356,460</u>	<u>6,669</u>	<u>3,768,737</u>
At start of year	<u>3,535,261</u>	<u>9,746</u>	<u>423,287</u>	<u>11,704</u>	<u>3,979,998</u>

13. COMMITMENTS UNDER OPERATING LEASES

	2025 £	2024 £
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-		
Not later than one year	72,310	31,571
Later than one year and not later than five years	243,370	70,191
Later than five years	-	-
	<u>315,680</u>	<u>101,762</u>

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

14. DEBTORS

	2025	2024
	£	£
Rental debtors houses	1,129,187	958,413
Rental debtors leases	24,783	3,479
Less: Provision for Doubtful Debts	(323,688)	(302,065)
Factoring debtors	118,990	193,901
Less: Provision for Doubtful Debts	<u>(100,633)</u>	<u>(141,866)</u>
	848,639	711,863
Other Debtors	200,883	266,143
Prepayments And Accrued income	887,704	860,040
Grant receivable debtors	2,020,344	1,283,544
Loans to group undertakings	<u>52,525</u>	<u>175,000</u>
	<u>4,010,094</u>	<u>3,296,589</u>

Rental debtors include technical arrears of £708,829 (2024 - £485,899).

The loans to group undertakings of £52,525 (2024 £175,000) are regarded as being due in one year.

15. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Housing Loans	2,401,293	17,271,968
Trade Payables	2,515,373	2,339,640
Rent in Advance	291,757	278,017
Other Taxation and Social Security	18,107	27,242
Other Payables - Retentions	619,617	812,261
Accruals and Deferred Income	<u>741,030</u>	<u>867,088</u>
	<u>6,587,177</u>	<u>21,596,216</u>

2024 Housing loans figure includes sums of £15m which were refinanced in April 2024.

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

16. CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	2025	2024
	£	£
Housing loans	113,629,180	97,070,592
	<u>113,629,180</u>	<u>97,070,592</u>

The Association has a number of long term housing loans, the terms and conditions of which are as follows:
Loan debt with Santander totals £21.901 million at March 2025, sums are repayable between 2026 and 2027 and 484 properties are provided as security for the loans. The Association has four loan agreements with Clydesdale Bank totalling £7.901 million, term dates range from 2029 to 2037 and 472 units are secured to the lender. RBS loans total £50.238 million, balance repayment periods range from 2027-2044 and 1023 properties are provided as security for the loans. Bank of Scotland loan is £5.990 million, term dates 2028 and 177 properties are provided as security. At 31st March 2025 the Canada Life group private placement has drawn £30 million and 806 units are currently offered as security. Around 49% of debt is on a fixed interest rate basis and the individual fixed rate arrangements expire at various periods over the short, medium and long term.

The Association's bank borrowings are repayable on a monthly, quarterly and 6 monthly basis with the principal being amortised over the term of the loan. Interest rate charges on fixed debt range from 2.61% to 6.15% with variable rate charges from Base/Sonia + 0.4% to 1.75%

The Bank loans are repayable as follows:

	2025	2024
	£	£
Between one and two years	16,551,794	2,397,430
Between two and five years	33,267,780	44,791,799
In five years or more	63,809,606	49,881,363
	<u>113,629,180</u>	<u>97,070,592</u>

Housing loans figure between one and two years includes sums which are due to be refinanced.

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

17. STATEMENT OF CASH FLOWS

Reconciliation of cash flows from operating activities as at 31 March 2025

	2025	2024
	£	£
Operating Surplus / (Deficit)	1,438,752	(42,169)
Depreciation	7,604,539	7,108,243
Impairment	-	382,728
Amortisation of Capital Grants	(4,563,676)	(4,330,570)
Social Housing Grant released	10,291	108,378
Carrying amount of tangible fixed asset disposals	700,312	-
Change in debtors	(99,180)	(444,015)
Change in creditors	54,280	659,523
Cancelled Shares	(3)	(1)
Interest payable	6,041,344	5,243,100
Interest receivable	(52,371)	(62,141)
Gain / Loss on sale of Housing Stock	(43,208)	67,955
Gain / Loss on sale of Other Fixed Assets	(2,000)	(39,635)
Gift Aid from Subsidiary	(100,000)	-
Change in Creditors - Pension-net interest costs	53,000	23,000
Change in Creditors - Pension-Actuarial Adjustment	(122,000)	598,000
Change in Creditors - Pension-Actual Deficit payment contributions less expenses	-	-
Cash flows from operating activities as at 31 March 2025	<u>10,920,080</u>	<u>9,272,396</u>

18. ANALYSIS OF CHANGES IN NET DEBT

	As at March 24	Cash-flows	Other non-cash changes	As at March 25
	£	£	£	£
Cash	858,040	1,968,241	-	2,826,281
Cash equivalents	-	-	-	-
Overdraft facility repayable on demand	-	-	-	-
Loans falling due within one year	(17,271,968)	17,312,086	(2,441,411)	(2,401,293)
Loans falling due after more than one year	(97,070,592)	(19,000,000)	2,441,411	(113,629,181)
TOTAL	<u>(113,484,520)</u>	<u>280,327</u>	<u>-</u>	<u>(113,204,193)</u>

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

19. DEFERRED INCOME

	2025	2025
	£	£
Social Housing Grants		
Balance as at 1 April 2025	168,404,807	165,139,468
Additions in year	8,177,650	7,562,637
Amortisation in Year	(4,509,823)	(4,188,920)
Eliminated on disposal	(10,291)	(108,378)
Balance as at 31 March 2025	<u>172,062,343</u>	<u>168,404,807</u>
Other Grants		
Balance as at 1 April 2025	1,008,751	1,042,023
Additions in year	-	-
Amortisation in Year	(33,271)	(33,272)
Eliminated on disposal	-	-
Balance as at 31 March 2025	<u>975,480</u>	<u>1,008,751</u>
Total deferred grants	<u>173,037,823</u>	<u>169,413,558</u>

This is expected to be released to the Statement of Comprehensive Income as follows:

Amounts released within one year	4,543,095	4,330,570
Amounts released in one year or more	<u>168,494,728</u>	<u>165,082,988</u>
	<u>173,037,823</u>	<u>169,413,558</u>

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

20. SHARE CAPITAL AND RESERVES

Share Capital	2025	2024
	£	£
Shares of £1 each Issued and Fully Paid		
At 1 April 2024	44	44
Issued in year	5	1
Cancelled in year	(3)	(1)
At 31 March 2025	<u>46</u>	<u>44</u>

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

Reserves	2025	2024
	£	£
At 1 April 2024	20,536,907	20,579,076
Surplus for year	1,316,752	555,831
Other comprehensive income	122,000	(598,000)
At 31 March 2025	<u>21,975,659</u>	<u>20,536,907</u>

21. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2025	2024
	No.	No.
General Needs	3,587	3,522
Shared Ownership	20	21
	<u>3,607</u>	<u>3,543</u>

In addition, the association has 1 leasehold property and 4 enterprise centres.

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

22. RELATED PARTY TRANSACTIONS

Key Management Personnel – which includes members of the Board of Management – and their close family are related parties of the Association as defined by Financial Reporting Standard 102. The related party relationships are summarised as:

- 3 Members are tenants of the Association
- No Members are factored owners
- Key Management Personnel cannot use their position to their advantage. Any transactions between the Association and any entity with which a Key Management Personnel has a connection with is made at arm's length and is under normal commercial terms.

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

- Rent due – £16,196
- Factoring income receivable - £ nil
- At the year-end total rent advances were – £239
- At the year-end total rent arrears were - £403

J Strang, M Davidson, J Kelly, B McCabe, C Austin, E Collier and E Shedden are Board members and are Directors of Citrus Energy Limited, a company registered in Scotland. Formerly Cunninghame Enterprises Limited, the company changed its name at Companies House on 23rd July 2013 to Citrus Energy Limited. The main business activity of the company is energy brokerage to businesses.

During the year the Association paid costs of £76,053 (2024 - £98,612) on behalf of Citrus Energy Limited. These costs were recharged to the subsidiary company in the financial year.

During the year Citrus Energy Limited transferred Gift Aid of £100k to the Association.

At the end of the financial year the Association owed Citrus Energy Limited £1,126 (2024 - £Nil).

At the end of the financial year the Association was owed £1,195 (2024 - £34,600) by Citrus Energy Limited. This is in addition to the inter-company loan balance of £52,525 (2024 - £175,000) as detailed in Note 23.

J Strang, B Johnstone and E Shedden are Board members and are Trustees of Cunninghame Furniture Recycling Company, a company registered in Scotland, limited by guarantee without a share capital. The company was granted charitable status on 1st November 2010. The principal activity of the company is the recycling of furniture and related activities.

During the year the Association paid costs of £61,448 (2024 - £115,304) on behalf of Cunninghame Furniture Recycling Company. These costs were recharged to the subsidiary company in the financial year.

At the end of the financial year the Association owed Cunninghame Furniture Recycling Company £0 (2024 - £22,834).

At the end of the financial year the Association was owed by Cunninghame Furniture Recycling Company £9,269 (2024 - £13,732).

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

23. INTER-COMPANY LOAN

On 1st September 2014, there was an inter-company loan facility granted to Citrus Energy Limited for £400,000 repayable over 10 years at an interest rate of 3.5% per annum. In 20/21 the interest rate was dropped to 1.75%. During the year Citrus Energy Limited repaid £122,475 (2024 £75,000). The balance outstanding at the year end is £52,525 (2024 - £175,000). The interest rate increased to 6% from 1st April 2023.

This loan facility is secured by a Bond and Floating Charge.

24. DETAILS OF ASSOCIATION

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

The Association's principal place of business is Ardrossan. The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing in North Ayrshire, East Ayrshire and Dumfries & Galloway.

Group Structure

Cunninghame Housing Association Limited is a Registered Social Landlord and Charity in Scotland, and forms part of a group. The other members are Citrus Energy Limited, a company registered in Scotland whose main activities relate to commercial activities such as Energy Brokering, and Cunninghame Furniture Recycling Company, a registered charity whose activities relate to the diversion of waste from landfills and recycling furniture and white goods.

Cunninghame Housing Association Limited is considered to be the ultimate parent undertaking of the group. Group financial statements are not prepared as the Financial Conduct Authority has exempted the group from this requirement.

The Association controls Citrus Energy Limited by virtue of common Board membership. Citrus Energy Limited is a company registered in Scotland and is limited by guarantee without having a share capital. The company's name was changed from Cunninghame Enterprises Limited to Citrus Energy Limited on 23rd July 2013 at Companies House. Citrus Energy Limited's main activity is energy brokering for commercial customers.

25. RETIREMENT BENEFIT OBLIGATIONS

Scottish Widows Pension Scheme

The Association operates a Defined Contribution Pension scheme with Scottish Widows. The assets are held separately from the Association in a fund administered independently by Scottish Widows. The pension cost charge represents the contributions payable by the Association to the fund and amounted to £446,452 (2024 - £448,667) of which £61,131 (2024-£59,596) was unpaid and is included in Creditors. During the year the Association paid contributions at rates of between 10% and 16% of pensionable salaries.

In addition the Association operates a Defined Contribution pension scheme structure within the Scottish Housing Associations Pension scheme. At 31st March 2025 there were 7 (2024 - 7) active members of the scheme employed by the Association. The Association paid contributions at 10% rates of pensionable salaries.

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

25. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Associations' Pension Scheme

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £27m. A Recovery Plan has been put in place to eliminate the deficit which ran to 30 September 2022.

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

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

25. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	31 March 2025 (£000s)	31 March 2024 (£000s)
Fair value of plan assets	7,170	7,700
Present value of defined benefit obligation	8,188	8,787
Surplus (deficit) in plan	(1,018)	(1,087)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(1,018)	(1,087)
Deferred tax	-	-
Net defined benefit asset(liability) to be recognised	(1,018)	(1,087)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2025 (£000s)	Period ended 31 March 2024 (£000s)
Defined benefit obligation at start of period	8,787	9,025
Current service cost	-	-
Expenses	14	13
Interest expense	421	431
Member contributions	-	-
Actuarial losses (gains) due to scheme experience	360	(206)
Actuarial losses (gains) due to changes in demographic assumptions	-	(51)
Actuarial losses (gains) due to changes in financial assumptions	(997)	(26)
Benefits paid and expenses	(397)	(399)
Defined benefit obligation at end of period	8,188	8,787

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

	Period ended 31 March 2025 (£000s)	Period ended 31 March 2024 (£000s)
Fair value of plan assets at start of period	7,700	8,559
Interest income	368	408
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(515)	(881)
Contributions by the employer	14	13
Member contributions	-	-
Benefits paid and expenses	(397)	(399)
Fair value of plan assets at end of period	7,170	7,700

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was (£147,000).

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

25. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	Period from 31 March 2019 to 31 March 2025	Period from 31 March 2019 to 31 March 2024
	(£000s)	(£000s)
Current service cost	-	-
Expenses	14	13
Net interest expense	53	23
Defined benefit costs recognised in statement of comprehensive income (SoCl)	67	36

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2025	Period ended 31 March 2024
	(£000s)	(£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(515)	(881)
Experience gains and losses arising on the plan liabilities - gain (loss)	(360)	206
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	-	51
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	997	26
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	122	(598)
Total amount recognised in other comprehensive income - gain (loss)	122	(598)

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 currently participating 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

CUNNINGHAME HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

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.

26. CAPITAL COMMITMENTS

	2025	2024
	£	£
Expenditure contracted but not provided for in accounts	<u>8,407,397</u>	<u>17,559,247</u>
Funded by:		
Social Housing Grant	3,691,804	10,834,434
Other grants and contributions	-	-
Private Finance & Reserves	<u>4,715,593</u>	<u>6,724,813</u>
	<u>8,407,397</u>	<u>17,559,247</u>

27. CONTINGENT LIABILITIES

Scottish Housing Associations’ Pension Scheme - Scheme Benefit Review

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme’s benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with the Court’s determination expected no earlier than Summer 2025.

It is estimated that this could potentially increase the value of the full Scheme liabilities by £27m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme’s Technical Provisions basis.

Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

Scottish Housing Associations’ Pension Scheme - 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 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 2024. As of this date the estimated employer debt for the Association was £2,564,368 (2024 £2,801,328).

The Association has no intention of withdrawing from the scheme.