



Alexander Sloan
Accountants and Business Advisers

Clydesdale Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2025

Registered Social Landlord No. HAL93

FCA Reference No. 2237R(S)

Scottish Charity No. SC034228

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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CLYDESDALE HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025

MANAGEMENT COMMITTEE

Hazel Galbraith
Agne Zasinaite
John Lockhart
Ruth McElhinney
Brian McNally
Kenneth Greenshields
Jacqueline McCutcheon
Gillian Anderson
Lesley McDonald
Ross Gowland
Deborah Hay
Jonathan Main
Gabrielle McElhinney
Maggie Botham
Sharon Egan
Iona Taylor
Claire McGraw

Chairperson
Secretary
Treasurer

Previous Chairperson resigned 31 January 2025
Resigned 25 September 2024
Appointed 19 February 2025
Appointed 19 February 2025

EXECUTIVE OFFICERS

Joe Gorman
Vicky Rogers
Eileen Wilson
Lisa Simpson

Chief Executive
Deputy Chief Executive
Finance Manager
Housing Manager

REGISTERED OFFICE

39 North Vennel
Lanark
ML11 7PT

EXTERNAL AUDITORS

Alexander Sloan LLP
180 St Vincent Street
Glasgow
G2 5SG

INTERNAL AUDITORS

Wylie & Bisset
168 Bath Street
Glasgow
G2 4TP

BANKERS

Royal Bank of Scotland
88 High Street
Lanark
ML11 7ET

SOLICITOR

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

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

The Management Committee presents its report and the financial statements for the year ended 31 March 2025.

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No. 2237R(S)), the Scottish Housing Regulator as a registered social landlord (No. HAL93) under the Housing (Scotland) Act 2010 and as is a registered Scottish Charity with the charity number SC034228.

Principal Activities

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

Review of Business and Future Developments

Against a backdrop of global political change, the Association's financial planning has considered effects of international economic policy and unstable inflation rates. Despite reductions in the first half of the financial year, upward inflationary trends returned towards the end of 2024/25, this confirmed that the difficult decision to increase rents for 2025/26 at 3.7% to be a prudent step in support of financial viability. Costs relating to reactive repairs, planned repairs, IT, business & property insurance and energy have continued to increase at rates in excess of national CPI rates.

Rent Affordability Priority

The Association's commitment to keeping rents affordable continues to be a key objective. The 3.7% increase introduced in April 2025 remains below the 4.5% average increase proposed by registered social landlords (Scottish Federation of Housing Associations Rent Increase Survey 2025/26, published June 2025). Minimising rent increases whilst balancing investment in maintaining the quality of the housing stock has become increasingly challenging due to cost of living pressures for tenants and inflationary factors caused by the Pandemic and geopolitical events.

Despite these challenges, Clydesdale Housing Association's average rent levels remain below national averages and rural peer group averages,

Tenants have supported the Association's rent review process in record levels. 44% of those consulted on our planned increase for 2025/26 participated in the process and shared their views on our proposals – informing the final decision reached by the Management Committee in February 2025. Effective use of digital tenant engagement tools has resulted in high tenant participation levels and improved efficiency in how we gather their feedback and opinions.

2025/28 Business Plan Development

Following joint work by the Management Committee and staff over 2024/25 to research and analyse industry and organisational challenges, a new 3-year Business Plan was approved in March 2025.

With service quality and innovation at its heart, the new Business Plan concentrates on the following themes:

- Community Engagement
- Quality of Our Homes
- Wellbeing of Our Customers and Team
- Innovation through Technology

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

New build development represents a significant risk to registered social landlords. The Scottish Housing Regulator's risk assessment of social landlords identified the increasing challenge of building new homes due to higher construction costs, higher borrowing costs, tender price uncertainty and the risk of contractor insolvency. The business planning process has involved research on new build activity from development experts and has concluded that the current development environment remains high in risk. This position will be kept under ongoing review to monitor market conditions and funding availability.

Quality of Homes

With over 98% of homes meeting the Scottish Housing Quality Standard, the Association delivered an impressive investment programme over 2024/25:

- Window replacements – 35 homes
- Door replacements – 31 homes
- Kitchen replacements – 12 homes
- Bathroom replacements – 24 homes
- Heating replacements (including renewables) – 33 homes

In addition, ensuring tenant and resident safety was protected through the successful completion of a range of contracts including:

- Gas safety – 300 homes
- Electrical safety – 10 homes
- Hot water cylinder servicing – 149 homes
- Air source heat pump servicing – 154 homes
- Fire detection system servicing/replacement – 60 homes

Clydesdale's repairs and maintenance service is a top priority for tenants and the Association's performance reflects this:

Repairs & Maintenance Performance	CHA 2024/25 Target	CHA 2024/25 Result	CHA 2023/24 Result	2024/25 All RSL Average	2024/25 SHN Rural Peer Group Average
Average non-emergency repair completion time (working days)	4.5	4.69	4.72	8.11	8.17
Average emergency repair completion time (hours)	3	2.56	2.59	3.58	3.28
Percentage of repairs completed Right First Time	98	88	91.04	88.14	90.16
Percentage of homes that meet SHQS	97.84	98.11	97.84	91.40	90.99
Percentage of homes that meet EESSH	98	98.38	98.25	96.37	99.30

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Operational Performance

The Association's high standard of operational performance in other key areas was largely continued over 2024/25 – exceeding internal targets/achieving levels close to them and comparing well with other similar landlords in its peer group:

Operational KPI Performance	CHA 2024/25 Target	CHA 2024/25 Result	CHA 2023/24 Result	2024/25 All RSL Average	2024/25 SHN Rural Peer Group Average
Percentage of homes that became vacant	8	6.33	7.15	7.13	7.22
Average time taken to re-let empty properties (calendar days)	15	14.93	13.13	34.87	24.22
Percentage of rent lost through properties being empty	0.7	0.27	0.21	0.86	0.55
Percentage of new tenancies sustained for more than a year	93	91.78	88.46	90.04	91.76
Rent collected as a percentage of total rent due	100	100	100.32	99.98	100.26
Gross rent arrears (all tenants) as a % of rent due	3	2.89	2.64	4.02	2.99
Average time in working days for a full response to Stage 1 complaints	5	3.37	2	3.74	3.39
Average time in working days for a full response to Stage 2 complaints	20	13.71	13	16.31	22.33

In addition to this high level of performance the Association continued to support South Lanarkshire Council in alleviating homelessness by providing 42% of all lets to urgent homeless applicants. The Association contributed further to meeting its duty to alleviate homelessness by leasing homes to South Lanarkshire Council for use as temporary homeless accommodation.

These high performance levels were achieved against a background of significant technological change. Over 2024/25 the Association implemented a new hosted integrated housing and finance software system. Digital resilience was also improved through migration to cloud data storage and the development of new cyber incident response planning.

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

The CHA Community Hub continued to provide a valuable resource to local groups in Lanark and the surrounding area. Activities delivered by local groups and agencies have included English Speaking Classes, a befriending group, the local Art Club, our own tenants' and residents' group, voluntary group board meetings, Social Security Scotland outreach services and the TSB, who provide weekly outreach banking services.

People

Now in its fifth year of hybrid working, the Association embarked upon a staff engagement process in 2024/25 aimed at establishing Clydesdale Housing Association as an exceptional hybrid employer. Following a staff feedback survey, online learning for leaders and staff was delivered on the following topics:

- Soft Skills
- Trust and Productivity
- Mental Wellbeing
- People and Culture

Employees are currently reviewing and evaluating this learning and developing action plans for implementing the Association's vision of future working.

Intensifying collaboration and mutual understanding between the Management Committee and staff Management Team was also advanced through joint teambuilding and learning events over the final quarter of 2024/25. These activities have strengthened knowledge levels on key Business Plan objectives and risk management.

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Management Committee and Executive Officers

The members of the Management Committee and the Executive officers are listed on page 1.

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

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

Statement of Management Committee's Responsibilities

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

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

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to: ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024. It is 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.

Going Concern

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

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Statement on Internal Financial Control

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

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

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

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

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year end 31 March 2025. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Donations

During the year the Association made charitable donations of £Nil (2024 - £Nil).

Disclosure of Information to the Auditor

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

Auditor

A resolution to reappoint the Auditors, Alexander Sloan LLP, will be proposed at the Annual General Meeting.

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

By order of the Management Committee



Agne Zasinaite
Secretary

2/9/2025

CLYDESDALE HOUSING ASSOCIATION LIMITED

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

In addition to our audit of the financial statements, we have reviewed your statement on page 7 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 to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement of Internal Financial Control on page 7 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice 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 enquiry of certain members of the Management Committee and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



ALEXANDER SLOAN LLP
Statutory Auditors
GLASGOW

2/9/2025



Alexander Sloan
Accountants and Business Advisers

CLYDESDALE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLYDESDALE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of Clydesdale Housing Association Limited (the 'Association') for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2025 and of the surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024.

Basis of Opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Management Committee 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 Management Committee with respect to going concern are described in the relevant sections of this report.

Other Information

The Management Committee is responsible for the other information. The other information comprises the information contained 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.

CLYDESDALE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLYDESDALE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Other Information (Contd.)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Management Committee

As explained more fully in the statement of Management Committee's responsibilities as set out on page 6, the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give true and fair view, and for such internal control as the Management Committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either 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:

CLYDESDALE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLYDESDALE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

The extent to which the audit was considered capable of detecting irregularities 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 gained an understanding of the legal and regulatory framework applicable to the Association through discussions with management, and from our wider 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 (and related regulations), the Housing (Scotland) Act 2010 and other laws and regulations applicable to a registered social housing provider in Scotland. We also considered the risks of non-compliance with the other requirements imposed by the Scottish Housing Regulator and we considered the extent to which non-compliance might have a material effect on the financial statements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management 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 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 regulations.

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 set out in Note 1 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;
- reviewing the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing the Association's Assurance Statement and associated supporting information; and
- reviewing correspondence with the Scottish Housing Regulator.

CLYDESDALE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLYDESDALE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

The extent to which the audit was considered capable of detecting irregularities including fraud (Contd.)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Description of the 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 aggregate, they could reasonably be expected to influence the economic decisions of the 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: <http://www.frc.org.uk/auditorsresponsibilities>. The description forms part of our audit report.

Use of our Report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



ALEXANDER SLOAN LLP
Statutory Auditors
GLASGOW

2/9/2025



Alexander Sloan
Accountants and Business Advisers

CLYDESDALE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Revenue	2	4,591,619	4,435,932
Operating costs	2	3,537,677	3,580,952
OPERATING SURPLUS		1,053,942	854,980
Interest receivable and other income		84,203	71,663
Interest payable and similar charges	7	(89,003)	(93,731)
Other Finance income/(charges)	10	(15,000)	(5,000)
		(19,800)	(27,068)
SURPLUS FOR THE YEAR		1,034,142	827,912
Other comprehensive income			
Actuarial gains/(losses) on defined benefit pension plan	17	29,000	(171,000)
TOTAL COMPREHENSIVE INCOME		1,063,142	656,912

The results relate wholly to continuing activities.


The notes on pages 18 to 36 form an integral part of these financial statements.

CLYDESDALE HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Notes	2025	2024
		£	£
NON-CURRENT ASSETS			
Housing properties - depreciated cost	11	28,208,168	28,003,859
Other tangible assets	11	944,011	973,361
		<u>29,152,179</u>	<u>28,977,220</u>
CURRENT ASSETS			
Receivables	12	390,492	339,957
Cash and cash equivalents	13	5,210,446	4,640,646
		<u>5,600,938</u>	<u>4,980,603</u>
CREDITORS: Amounts falling due within one year	14	<u>(1,343,740)</u>	<u>(1,009,663)</u>
NET CURRENT ASSETS		<u>4,257,198</u>	<u>3,970,940</u>
LIABILITIES		33,409,377	32,948,160
CREDITORS: Amounts falling due after more than one year	15	(2,832,361)	(3,222,333)
FOR LIABILITIES AND CHARGES			
Scottish housing association pension scheme	17	(280,000)	(294,000)
		<u>(280,000)</u>	<u>(294,000)</u>
DEFERRED INCOME			
Social housing grants	18	(13,552,129)	(13,739,504)
Other grants	18	(243,046)	(253,601)
		<u>(13,795,175)</u>	<u>(13,993,105)</u>
NET ASSETS		<u>16,501,841</u>	<u>15,438,722</u>
EQUITY			
Share capital	19	98	121
Revenue reserves		16,781,743	15,732,601
Pension reserves		(280,000)	(294,000)
		<u>16,501,841</u>	<u>15,438,722</u>

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 2/9/2025



Chairperson



Treasurer



Secretary

The notes on pages 18 to 36 form an integral part of these financial statements.

CLYDESDALE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025	2024
		£	£
Surplus for the Year		1,034,142	827,912
<i>Adjustments for non-cash items:</i>			
Depreciation of tangible fixed assets	11	1,049,552	1,066,831
Amortisation of capital grants	18	(607,623)	(608,741)
Non-cash adjustments to pension provisions		15,000	5,000
Share capital written off	19	(28)	(10)
		<u>456,901</u>	<u>463,080</u>
Interest receivable		(84,203)	(71,663)
Interest payable	7	89,003	93,731
		<u>456,901</u>	<u>463,080</u>
Operating cash flows before movements in working capital		1,495,843	1,313,060
Change in debtors		(113,178)	33,931
Change in creditors		361,941	(4,575)
		<u>248,763</u>	<u>29,356</u>
Net cash inflow from operating activities		1,744,606	1,342,416
Investing Activities			
Acquisition and construction of properties		(1,207,782)	(557,996)
Purchase of other fixed assets		(17,467)	(3,201)
Social housing grant received		472,457	57,288
Social housing grant repaid		(62)	(16,327)
Other grants repaid		(59)	(2,313)
Proceeds on disposal of housing properties		738	24,300
		<u>(752,175)</u>	<u>(498,249)</u>
Net cash outflow from investing activities		(752,175)	(498,249)
Financing Activities			
Interest received on cash and cash equivalents		84,203	71,663
Interest paid on loans		(89,003)	(93,731)
Loan principal repayments		(417,836)	(415,229)
Share capital issued	19	5	7
		<u>(422,631)</u>	<u>(437,290)</u>
Net cash outflow from financing activities		(422,631)	(437,290)
Increase in cash	20	569,800	406,877
Opening cash & cash equivalents		4,640,646	4,233,769
Closing cash & cash equivalents		<u>5,210,446</u>	<u>4,640,646</u>
Cash and cash equivalents as at 31 March			
Cash	20	5,210,446	4,640,646
		<u>5,210,446</u>	<u>4,640,646</u>

The notes on pages 18 to 36 form an integral part of these financial statements.

CLYDESDALE HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2025

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1 April 2023	124	(118,000)	14,899,689	14,781,813
Issue of Shares	7	-	-	7
Cancellation of Shares	(10)	-	-	(10)
Other comprehensive income	-	(171,000)	-	(171,000)
Other movements	-	(5,000)	5,000	-
Surplus for the year	-	-	827,912	827,912
Balance as at 31 March 2024	121	(294,000)	15,732,601	15,438,722
Balance as at 1 April 2024	121	(294,000)	15,732,601	15,438,722
Issue of Shares	5	-	-	5
Cancellation of Shares	(28)	-	-	(28)
Other comprehensive income	-	29,000	-	29,000
Other movements	-	(15,000)	15,000	-
Surplus for the year	-	-	1,034,142	1,034,142
Balance as at 31 March 2025	98	(280,000)	16,781,743	16,501,841

The notes on pages 18 to 36 form an integral part of these financial statements.

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2019. They comply with the Determination of Accounting Requirements 2024. A summary of the principal accounting policies is set out below

Revenue

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

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

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

Retirement Benefits

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

Going Concern

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

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Housing Properties

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

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

The useful lives of kitchens has been reassessed during the year from 15 years to 20 years. The depreciation charge for the year has decreased by £44,701 as a result of this reassessment.

Depreciation and Impairment of Other Tangible Assets

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

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

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

Social Housing Grants and Other Capital Grants

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

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

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

Sales Of Housing Properties

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

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

Taxation

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

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Leases

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

Works to Existing Properties

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

Capitalisation Of Development Overheads

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

Borrowing Costs

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

Property Development Cost

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

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

Housing Property Managed By Agents

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

VAT

The Association is exempt from registration for VAT.

Financial Instruments - Basic

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

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

Cash and Liquid Resources

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

Impairment

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

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

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

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies

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

Key Judgements

a) Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Financial instrument break clauses

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

d) Pension Liability

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. The Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method. Judgements relating to the benefits issue are included in Note 27.

Estimation Uncertainty

a) Rent Arrears - Bad Debt Provision

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

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

d) Costs of shared ownership

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

e) Defined pension liability

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

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

		2025		Operating	2024		Operating
	Notes	Turnover	Operating	surplus /	Turnover	Operating	surplus /
		£	costs	(deficit)	£	costs	(deficit)
			£	£		£	£
Affordable letting activities	3	4,563,469	3,522,027	1,041,442	4,355,969	3,507,290	848,679
Other Activities	4	28,150	15,650	12,500	79,963	73,662	6,301
Total		4,591,619	3,537,677	1,053,942	4,435,932	3,580,952	854,980

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

	General Needs Housing £	Shared Ownership £	2025 Total £	2024 Total £
Revenue from Lettings				
Rent receivable net of service charges	3,719,256	23,713	3,742,969	3,560,972
Service charges receivable	109,644	536	110,180	79,111
Gross income from rent and service charges	3,828,900	24,249	3,853,149	3,640,083
Less: Rent losses from voids	12,685	-	12,685	11,909
Income from rents and service charges	3,816,215	24,249	3,840,464	3,628,174
Grants released from deferred income	598,403	9,220	607,623	608,742
Revenue grants from Scottish Ministers	81,282	-	81,282	59,994
Other revenue grants	34,100	-	34,100	59,059
Total turnover from affordable letting activities	4,530,000	33,469	4,563,469	4,355,969
Expenditure on affordable letting activities				
Management and maintenance administration costs	1,337,244	30,587	1,367,831	1,301,217
Service costs	98,335	1,060	99,395	55,975
Planned and cyclical maintenance, including major repairs	429,193	-	429,193	520,648
Reactive maintenance costs	615,700	-	615,700	603,496
Bad Debts - rents and service charges	6,486	70	6,556	19,978
Depreciation of affordable let properties	993,640	9,712	1,003,352	1,005,976
Operating costs of affordable letting activities	3,480,598	41,429	3,522,027	3,507,290
Operating surplus on affordable letting activities	1,049,402	(7,960)	1,041,442	848,679
2024	855,758	(7,079)		

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Grants from Scottish Ministers	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2025	Operating surplus / (deficit) 2024
	£	£	£	£	£	£	£
Factoring	-	16,168	16,168	-	10,686	5,482	(4,065)
HEAT	-	-	-	-	-	-	74
Other activities	-	11,982	11,982	-	4,964	7,018	10,292
Total From Other Activities	-	28,150	28,150	-	15,650	12,500	6,301
2024	60,132	19,831	79,963	-	73,662	6,301	

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS

	2025 £	2024 £
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	212,455	140,674
Pension contributions made on behalf on Officers with emoluments greater than £60,000	20,510	13,549
Emoluments payable to Chief Executive (excluding pension contributions)	81,834	77,201
Pension contributions paid on behalf of the Chief Executive	8,019	7,565
Total emoluments payable to the Chief Executive	89,853	84,766
Total emoluments paid to key management personnel	324,612	293,006

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

	Number	Number
£60,001 to £70,000	2	2
£70,001 to £80,000	1	-
£80,001 to £90,000	1	1

6. EMPLOYEE INFORMATION

	2025 No.	2024 No.
Average monthly number of full time equivalent persons employed during the year	16	16
Average total number of employees employed during the year	18	18
Staff costs were:	£	£
Wages and salaries	742,807	682,283
National insurance costs	68,662	65,998
Pension costs	74,824	69,372
	886,293	817,653

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2025	2024
	£	£
On bank loans and overdrafts	<u>89,003</u>	<u>93,731</u>

8. SURPLUS FOR THE YEAR

	2025	2024
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	1,049,552	1,066,831
Auditors' remuneration - audit services	11,200	9,750
Auditors' remuneration - other services	580	525
(Loss) on sale of other non-current assets	<u>-</u>	<u>-</u>

9. CORPORATION TAX

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

10. OTHER FINANCE INCOME / (CHARGES)

	2025	2024
	£	£
Net interest on pension obligations	<u>(15,000)</u>	<u>(5,000)</u>

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
COST				
At 1 April 2024	46,500,465	-	568,203	47,068,668
Additions	1,207,782	-	-	1,207,782
Disposals	(81,935)	-	-	(81,935)
At 31 March 2025	47,626,312	-	568,203	48,194,515
DEPRECIATION				
At 1 April 2024	18,802,770	-	262,039	19,064,809
Charge for Year	993,023	-	9,712	1,002,735
Disposals	(81,197)	-	-	(81,197)
At 31 March 2025	19,714,596	-	271,751	19,986,347
NET BOOK VALUE				
At 31 March 2025	27,911,716	-	296,452	28,208,168
At 31 March 2024	27,697,695	-	306,164	28,003,859

	2025		2024	
Expenditure on Existing Properties	<i>Component replacement</i> £	<i>Improvement</i> £	<i>Component replacement</i> £	<i>Improvement</i> £
Amounts capitalised	1,207,782	-	557,996	-
Amounts charged to the statement of comprehensive income	-	1,044,893	-	1,124,144

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £13,845,397 (2024 - £13,698,718)

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Computer Equipment £	Total £
COST				
At 1 April 2024	1,105,337	38,497	64,374	1,208,208
Additions	-	2,236	15,231	17,467
At 31 March 2025	1,105,337	40,733	79,605	1,225,675
DEPRECIATION				
At 1 April 2024	151,573	23,663	59,611	234,847
Charge for year	36,808	5,807	4,202	46,817
At 31 March 2025	188,381	29,470	63,813	281,664
NET BOOK VALUE				
At 31 March 2025	916,956	11,263	15,792	944,011
At 31 March 2024	953,764	14,834	4,763	973,361

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 RECEIVABLES

	2025	2024
	£	£
Gross arrears of rent & service charges	110,265	65,548
Less: Provision for doubtful debts	(51,720)	(65,463)
<i>Net arrears of rent and service charges</i>	58,545	85
Social housing grant receivable	116,075	178,718
Other receivables	215,872	161,154
	<u>390,492</u>	<u>339,957</u>

13 CASH AND CASH EQUIVALENTS

	2025	2024
	£	£
Cash at bank and in hand	<u>5,210,446</u>	<u>4,640,646</u>

14. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Bank loans	372,075	399,939
Rent received in advance	213,655	118,225
Other taxation and social security	18,744	16,166
Other payables	266,385	215,228
Accruals and deferred income	472,881	260,105
	<u>1,343,740</u>	<u>1,009,663</u>

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	2025	2024
	£	£
Bank loans	2,832,361	3,222,333

16. DEBT ANALYSIS - BORROWINGS

	2025	2024
	£	£
Bank Loans		
Amounts due within one year	372,075	399,939
Amounts due in one year or more but less than two years	265,835	293,057
Amounts due in two years or more but less than five years	802,368	803,258
Amounts due in more than five years	1,764,158	2,126,018
	<u>3,204,436</u>	<u>3,622,272</u>

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

<i>Lender</i>	<i>Number of Properties Secured</i>	<i>Effective Interest Rate</i>	<i>Maturity (Year)</i>	<i>Variable or Fixed</i>
RBS	89	4.8%	2036	Variable
RBS	98	1.6%	2036	Fixed
RBS	98	1.1%	2036	Fixed
RBS	49	4.8%	2036	Variable
RBS	110	4.8%	2040	Variable
Scottish Government	-	0.0%	2025	Interest Free

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

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

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

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

The last triennial valuation of the Scheme was performed as at 30 September 2024 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £689.8m. The valuation revealed a shortfall of assets compared with the value of liabilities of £79.5m (equivalent to a past service funding level of 90%). A recovery plan is being put in place to eliminate the past service deficit from 1 April 2026 to 31 March 2030 for the majority of employers.

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

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

	2025	2024
	£	£
Fair value of plan assets	1,989,000	2,244,000
Present value of defined benefit obligation	2,269,000	2,538,000
Defined benefit asset / (liability) to be recognised	(280,000)	(294,000)

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2025	2024
	£	£
Defined benefit obligation at the start of period	2,538,000	2,699,000
Expenses	4,000	4,000
Interest expense	122,000	129,000
Actuarial losses (gains) due to scheme experience	(36,000)	(166,000)
Actuarial losses (gains) due to changes in demographic assumptions	-	(19,000)
Actuarial losses (gains) due to changes in financial assumptions	(255,000)	1,000
Benefits paid and expenses	(104,000)	(110,000)
Defined benefit obligation at the end of period	<u>2,269,000</u>	<u>2,538,000</u>

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

	2025	2024
	£	£
Fair value of plan assets at start of period	2,244,000	2,581,000
Interest income	107,000	124,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(262,000)	(355,000)
Contributions by the employer	4,000	4,000
Benefits paid and expenses	(104,000)	(110,000)
Fair value of plan assets at the end of period	<u>1,989,000</u>	<u>2,244,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 to 31 March 2025 was (£155,000).

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2025	2024
	£	£
Expenses	4,000	4,000
Net interest expense	15,000	5,000
Defined benefit costs recognised in statement of comprehensive income	19,000	9,000

Defined benefit costs recognised in the other comprehensive income

	2025	2024
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	(262,000)	(355,000)
Experience gains and losses arising on plan liabilities - gain /(loss)	36,000	166,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	-	19,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	255,000	(1,000)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	29,000	(171,000)
Total amount recognised in other comprehensive income - gain (loss)	29,000	(171,000)

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2025	2024	2023
	£	£	£
Absolute Return	-	101,000	35,000
Alternative Risk Premia	-	81,000	15,000
Corporate Bond Fund	-	-	3,000
Credit	85,000	-	-
Credit Relative Value	-	79,000	98,000
Distressed Opportunities	-	83,000	79,000
Emerging Markets Debt	-	39,000	20,000
Global Equity	230,000	258,000	68,000
Infrastructure	-	215,000	278,000
Insurance-Linked Securities	8,000	14,000	72,000
Investment Grade Credit	91,000	-	-
Liability Driven Investment	560,000	811,000	1,093,000
Liquid Alternatives	366,000	-	-
Long Lease Property	1,000	17,000	87,000
Net Current Assets	3,000	3,000	6,000
Private Equity	2,000	2,000	-
Private Credit	248,000	-	-
Private Debt	-	90,000	115,000
Property	98,000	95,000	108,000
Real Assets	237,000	-	-
Risk Sharing	-	135,000	188,000
Secured Income	46,000	75,000	173,000
Opportunistic Illiquid Credit	-	89,000	114,000
High Yield	-	-	13,000
Cash	11,000	58,000	11,000
Currency Hedging	3,000	(1,000)	5,000
Total assets	1,989,000	2,244,000	2,581,000

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

Key Assumptions

	2025	2024	2023
Discount Rate	5.8%	4.9%	4.9%
Inflation (RPI)	3.1%	3.2%	3.2%
Inflation (CPI)	2.8%	2.8%	2.7%
Salary Growth	3.8%	3.8%	3.7%

Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance	75% of maximum allowance
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The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 years (years)
Male retiring in 2025	20.2
Female retiring in 2025	22.7
Male retiring in 2045	21.5
Female retiring in 2045	24.2

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

18. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
Capital grants received			
At 1 April 2024	28,284,072	510,491	28,794,563
Additions in the year	409,814	-	409,814
Eliminated on disposal	(34,106)	(59)	(34,165)
At 31 March 2025	<u>28,659,780</u>	<u>510,432</u>	<u>29,170,212</u>
Amortisation			
At 1 April 2024	14,544,568	256,890	14,801,458
Amortisation in year	597,068	10,555	607,623
Eliminated on disposal	(33,985)	(59)	(34,044)
At 31 March 2025	<u>15,107,651</u>	<u>267,386</u>	<u>15,375,037</u>
Net book value			
At 31 March 2025	<u>13,552,129</u>	<u>243,046</u>	<u>13,795,175</u>
At 31 March 2024	<u>13,739,504</u>	<u>253,601</u>	<u>13,993,105</u>

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

	2025 £	2024 £
Amounts due within one year	607,623	608,741
Amounts due in more than one year	13,187,552	13,384,364
	<u>13,795,175</u>	<u>13,993,105</u>

19. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2025	2024
	£	£
At 1 April	121	124
Issued in year	5	7
Cancelled in year	(28)	(10)
At 31 March	<u>98</u>	<u>121</u>

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

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

20. CASH FLOWS

Reconciliation of net cash flow to movement in net funds

	2025		2024
	£	£	£
Increase in cash	569,800	406,877	
Cashflow from change in net debt	417,836	415,229	
Movement in net funds in the year	987,636		822,106
Net funds at 1 April	1,018,374		196,268
Net funds at 31 March	2,006,010		1,018,374

	At 01 April 2024	Cashflows	Other Changes	At 31 March 2025
	£	£	£	£
Cash and cash equivalents	4,640,646	569,800	-	5,210,446
	4,640,646	569,800	-	5,210,446
Debt: Due within one year	(399,939)	417,836	(389,972)	(372,075)
Due after more than one year	(3,222,333)	-	389,972	(2,832,361)
Net funds	1,018,374	987,636	-	2,006,010

21. CAPITAL COMMITMENTS

	2025	2024
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	344,549	-

The above commitments will be financed by the Association's own resources.

22. COMMITMENTS UNDER OPERATING LEASES

	2025	2024
	£	£
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
Other		
Expiring in the next year	-	2,856

23. DETAILS OF ASSOCIATION

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

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

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

24. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £321 (2024 - £977) in the year by way of reimbursement of expenses. No remuneration is paid to members in respect of their duties to the Association.

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2025 No.	2024 No.
General needs	742	742
Shared ownership	8	8
	<u>750</u>	<u>750</u>

26. RELATED PARTY TRANSACTIONS

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

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

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

	2025 £	2024 £
Rent received from tenants on the Management Committee and their close family members	-	1,386

A committee member works for Clydesdale Community Initiatives who the Association use as a contractor for grounds maintenance work. In the current financial year the Association has made payments of £53,414 (2024 - £16,068) to Clydesdale Community Initiatives.

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £0 (2024 - £0).

Members of the Management Committee who are tenants	-	1
Members of the Management Committee who are local councillors	1	1
Members of the Management Committee who are local authority employees	-	1

27. CONTINGENT LIABILITY

We have been notified 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 has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.