



Alexander Sloan
Accountants and Business Advisers

Clydesdale Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2023

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 2023

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CLYDESDALE HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2023

MANAGEMENT COMMITTEE

Maggie Botham

Hazel Galbraith

Agne Zasinaite

John Malone

Ross Gowland

Pauline Sandford

Ruth McElhinney

Brian McNally

Kenneth Greenshields

Jacquelin McCutcheon

Gillian Anderson

Lesley McDonald

Sharon Egan

John Lockhart

Brian Moore

Carmena Nixon

Susanne Crayton

Chairperson

Vice Chairperson

Secretary

Treasurer

Appointed 31 August 2022

Appointed 29 March 2023

Appointed 29 March 2023

Resigned 19 September 2022

Resigned 26 October 2022

Resigned 21 July 2023

EXECUTIVE OFFICERS

Joe Gorman

Jane Guthrie

Vicky Rogers

Eileen Wilson

Lisa Cochrane

Chief Executive

Deputy Chief Executive Retired 31 December 2022

Interim Deputy Chief Executive Appointed 19 December 2022

Finance Manager

Housing Manager Appointed 16 May 2022

REGISTERED OFFICE

39 North Vennel

Lanark

ML11 7PT

EXTERNAL AUDITORS

Alexander Sloan

Accountants and Business Advisers

180 St Vincent Street

Glasgow

G2 5SG

INTERNAL AUDITORS

Wylie & Bisset

168 Bath Street

Glasgow

G2 4TP

BANKERS

Royal Bank of Scotland

88 High Street

Lanark

ML11 7ET

SOLICITOR

T.C. Young

7 West George Street

Glasgow

G2 1BA

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2023

The Management Committee presents its report and the financial statements for the year ended 31 March 2023.

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

The Association's financial planning and management have always been fundamental to ensure adequate resources are provided to deliver excellent services and quality homes to current and future customers. This became even more significant in 2022/2023 due to dramatic UK inflation increases caused by geo-political events. The effects of these events resulted in steep rises in many of the Association's operating costs that required action to reduce expenditure and boost income in order to maintain rents at affordable levels for tenants while safeguarding financial viability and the quality of services.

Actual 2022/2023 and anticipated costs for 2023/2024 rose rapidly:

- Reactive repairs by 20%
- Planned maintenance by 25%
- Business & property insurance by 20%
- Housing software costs by 120%
- Other computer software by 20%
- Computer maintenance by 20%
- Office energy – by 99% for electricity and 30% for gas
- Staff salaries by 5.25%

Annual Business Plan review activity in October concentrated on identifying actions that would maintain short and long-term financial viability.

With a heavy emphasis on keeping rent levels affordable, the Association is largely risk averse with the rental income from tenants. Budgets and rent levels are planned carefully to ensure adequate funds are available to keep homes safe and to a high standard. In the recent rent review consultation, customers recognised that, as a non-profit-making landlord and registered charity, Clydesdale re-invests funds back into maintaining and improving the quality of the homes provided.

Actions required to protect services, future rent levels and the continued high quality of homes included:

- Introducing a rent increase of 7.5% for 2023/2024 and above-inflationary rent increases in the short-term future years. These plans will be kept under annual review.

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2023

- Prioritising day-to-day repairs in order to maintain the quality of tenants' homes and ensure that homes continue to meet the Scottish Social Housing Charter obligations.
- Continuing to keep tenants safe by meeting tenant and resident safety responsibilities on gas appliance testing, electrical safety inspections, fire safety measures, asbestos management and hot water cylinder servicing.
- With average inflation rates of 40% in the Scottish construction industry, suspend any plans in all new build projects until further notice. Continuing to proceed with new build projects would expose Clydesdale to the risk of spiralling construction costs.
- Due to high inflation rates, postpone home improvement contracts planned for 2023/24 until 2024/25, whilst continuing to replace aging electric storage heaters with more efficient systems in 2023/24 - but dependent on obtaining financial subsidies to help with this expensive work.
- Making efficiency savings through the better use of technology, e.g., digital newsletters instead of printed copies, replace letters with emails and texts, use of video-conferencing where possible instead of home visits.

A tenant satisfaction survey conducted in late-2022 reported continued high satisfaction in most key performance areas:

	2019	2022	Trend	ARC 21/22
Taking everything into account, how satisfied or dissatisfied are you with the overall service provided by Clydesdale Housing Association? (% very/ fairly satisfied)	94%	93%	-1%	88%
How good or poor do you feel Clydesdale is at keeping you informed about their services and decisions? (%very good/ fairly good)	99%	98%	-1%	91%
How satisfied or dissatisfied are you with the opportunities given to you to participate in Clydesdale's decision-making process? (% very/ fairly satisfied)	99%	98%	-1%	87%
Overall, how satisfied or dissatisfied are you with the quality of your home? (% very/ fairly satisfied)	88%	94%	+6%	85%
Taking into account the accommodation and services Clydesdale provides, to what extent do you think that the rent for this property represents good or poor value for money? Is it... (% very good value/ fairly good value)	91%	87%	-4%	83%
Overall, how satisfied or dissatisfied are you with Clydesdale management of the neighbourhood you live in? (% very/ fairly satisfied)	97%	91%	-6%	85%

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2023

These high satisfaction results reflect the Association's continued focus on service delivery performance:

Operational KPI Performance	CHA 2022/23 Target	CHA 2022/23 Result	CHA 2021/22 Result	CHA 2020/21 Result	2021/22 SHN Rural Peergroup Average
Average non-emergency repair completion time (working days)	6	3.97	8.89	12.2	8
Average emergency repair completion time (hours)	2.75	2.51	2.66	2.93	3.96
Percentage of gas safety checks completed on time	100	100	100	100	
Average time taken to re-let empty properties (calendar days)	15	18.25	19.17	38.21	28.83
Percentage of rent lost through properties being empty	0.75	0.47	0.51	0.77	1.29
Percentage of repairs completed Right First Time	95	94.06	86.34	73.21	86.8
Percentage of anti-social behaviour cases reported that were resolved	98	97.37	92.96	100	96.2
Rent collected as a percentage of total rent due	100	101.62	101.75	101.52	99.92
Gross rent arrears (all tenants) as a % of rent due	3	2.71	2.38	2.33	3.29

Clydesdale reviewed its procurement practices and policies over 2022/2023 with the support of professional experts. New procurement approaches will ensure that the Association:

- Maximises value for money;
- Complies with the law and regulatory requirements;
- Meets customer expectations and continually improves;
- Maximises opportunities for collaborative working.

A second award in successive years totalling £132,600 grant allocation from the Scottish Government funded Social Housing Fuel Support Fund was secured and distributed to tenants as £170 fuel vouchers per household in 2022. Working in partnership with the Wise Group's HEAT Team, the Association has attracted additional help for tenants and energy advice.

Staff continue to support tenants experiencing financial difficulties through budget mentoring, benefit maximisation and securing additional support where needed from partner agencies such as the Clydesdale Foodbank.

The CHA Community Hub was officially opened in March 2023 by Mairi McAllan, MSP. The Hub hosts diverse activities for the local community through a number of groups, including English Speaking Classes, a Ukulele group, a befriending group, the local Art Club, our own tenants' and residents' group and the TSB, who provide weekly outreach banking services.

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2023

The Association's highly valued Depute Chief Executive, Jane Guthrie, retired in 2022. Succession planning activity put in place in advance of this protected the Association from the risks this event could have otherwise represented.

The requirement to work from home introduced by the Covid pandemic led to early adoption of remote working technologies. Post-pandemic, this has facilitated a blended working pilot by staff that seeks to improve productivity and achieve a better work-life balance for employees that enhances personal wellbeing. The results of the pilot are anticipated in August 2023.

Clydesdale Housing Association continued to support South Lanarkshire Council in alleviating homelessness by working towards providing up to 35% of its lets to urgent homeless applicants. This can be a difficult target to achieve because of the rural nature of stock: in 2022/23 the Association let 49% of all lets in the rural centres of Lanark and Carluke to homeless applicants. The Association contributed further to meeting its duty to alleviate homelessness by leasing additional homes to South Lanarkshire Council for use as temporary homeless accommodation.

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2023

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 2019. 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 2023

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 2023. 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 £167 (2022 - 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, Accountants and Business Advisers, will be proposed at the Annual General Meeting.

CLYDESDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2023

By order of the Management Committee



Agne Zasinaite
Secretary

1/9/2023

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
Accountants and Business Advisers
Statutory Auditors
GLASGOW

1/9/2023



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 2023

Opinion

We have audited the financial statements of Clydesdale Housing Association Limited (the 'Association') for the year ended 31 March 2023 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 2023 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 2019.

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 2023 (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 2023 (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 2023 (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
Accountants and Business Advisers
Statutory Auditors
GLASGOW

1/9/2023



Alexander Sloan
Accountants and Business Advisers

CLYDESDALE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	£	2023 £	Restated 2022 £
Revenue	2		4,286,618	4,101,837
Operating costs	2		3,927,120	3,296,339
OPERATING SURPLUS			359,498	805,498
Gain on sale of housing stock		3,344	-	
Interest receivable and other income		20,370	438	
Interest payable and similar charges	7	(67,300)	(30,294)	
Other Finance income/(charges)	10	-	(9,000)	
			(43,586)	(38,856)
SURPLUS FOR THE YEAR			315,912	766,642
Other comprehensive income				
Actuarial gains/(losses) on defined benefit pension plan	17		(137,000)	307,000
TOTAL COMPREHENSIVE INCOME			178,912	1,073,642

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 2023

	Notes	2023	2022
		£	£
NON-CURRENT ASSETS			
cost	11	28,491,030	28,486,157
Other tangible assets	11	1,016,124	1,070,564
		<u>29,507,154</u>	<u>29,556,721</u>
CURRENT ASSETS			
Receivables	12	195,170	185,785
Cash and cash equivalents	13	4,233,769	4,059,363
		<u>4,428,939</u>	<u>4,245,148</u>
CREDITORS: Amounts falling due within one year	14	<u>(1,009,974)</u>	<u>(988,537)</u>
NET CURRENT ASSETS		<u>3,418,965</u>	<u>3,256,611</u>
TOTAL ASSETS LESS CURRENT		<u>32,926,119</u>	<u>32,813,332</u>
CREDITORS: Amounts falling due after more than one year	15	<u>(3,641,826)</u>	<u>(3,130,578)</u>
PENSIONS AND OTHER			
Scottish housing association pension scheme	17	<u>(118,000)</u>	<u>(49,000)</u>
		<u>(118,000)</u>	<u>(49,000)</u>
DEFERRED INCOME			
Social housing grants	18	(14,119,554)	(14,755,154)
Other grants	18	<u>(264,926)</u>	<u>(275,706)</u>
		<u>(14,384,480)</u>	<u>(15,030,860)</u>
NET ASSETS		<u>14,781,813</u>	<u>14,602,894</u>
EQUITY			
Share capital	19	124	117
Revenue reserves		14,899,689	14,651,777
Pension reserves		<u>(118,000)</u>	<u>(49,000)</u>
		<u>14,781,813</u>	<u>14,602,894</u>

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 31/8/2023

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 2023

	Notes	£	2023 £	£	2022 £
Surplus for the Year			315,912		766,642
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets	11	1,054,095		1,019,520	
Amortisation of capital grants	18	(613,877)		(620,788)	
Non-cash adjustments to pension provisions		(68,000)		(96,000)	
Share capital written off	19	(7)		(11)	
			372,211		302,721
Interest receivable			(20,370)		(438)
Interest payable	7		67,300		30,294
Operating cash flows before movements in working capital			735,053		1,099,219
Change in debtors		(9,385)		7,467	
Change in creditors		(42,462)		37,002	
			(51,847)		44,469
Net cash inflow from operating activities			683,206		1,143,688
Investing Activities					
Acquisition and construction of properties		(1,113,322)		(1,010,829)	
Purchase of other fixed assets		(3,454)		(8,009)	
Social housing grant repaid		(30,709)		-	
Other grants repaid		(1,794)		-	
Proceeds on disposal of housing properties		112,248		-	
Net cash outflow from Investing activities			(1,037,031)		(1,018,838)
Financing Activities					
Loan Advances Received		958,538		-	
Interest received on cash and cash equivalents		20,370		438	
Interest paid on loans		(67,300)		(30,294)	
Loan principal repayments		(383,391)		(337,983)	
Share capital issued	19	14		18	
Net cash inflow / (outflow) from financing activities			528,231		(367,821)
Increase/(decrease) in cash	20		174,406		(242,971)
Opening cash & cash equivalents			4,059,363		4,302,334
Closing cash & cash equivalents			4,233,769		4,059,363
Cash and cash equivalents as at 31 March					
Cash	20		4,233,769		4,059,363
			4,233,769		4,059,363

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 2023

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1 April 2021	110	(452,000)	13,981,135	13,529,245
Issue of Shares	18	-	-	18
Cancellation of Shares	(11)	-	-	(11)
Other comprehensive income	-	307,000	-	307,000
Other movements	-	96,000	(96,000)	-
Surplus for the year	-	-	766,642	766,642
Balance as at 31 March 2022	117	(49,000)	14,651,777	14,602,894
Balance as at 1 April 2022	117	(49,000)	14,651,777	14,602,894
Issue of Shares	14	-	-	14
Cancellation of Shares	(7)	-	-	(7)
Other comprehensive income	-	(137,000)	-	(137,000)
Other movements	-	68,000	(68,000)	-
Surplus for the year	-	-	315,912	315,912
Balance as at 31 March 2023	124	(118,000)	14,899,689	14,781,813

The notes on pages 18 to 35 form an integral part of these financial statements.

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

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

Revenue

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

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

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

Retirement Benefits

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

Going Concern

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

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Housing Properties

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

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

Depreciation and Impairment of Other Tangible Assets

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

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

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

Social Housing Grants and Other Capital Grants

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

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

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

Sales Of Housing Properties

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

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

Taxation

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

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 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 2023 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 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

Restated

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

		2023	Operating	Operating	2022	Operating	Operating
	Notes	Turnover	costs	surplus /	Turnover	costs	surplus /
		£	£	(deficit)	£	£	(deficit)
Affordable letting activities	3	4,082,850	3,730,600	352,250	3,963,882	3,153,048	810,834
Other Activities	4	203,768	196,520	7,248	137,955	143,291	(5,336)
Total		4,286,618	3,927,120	359,498	4,101,837	3,296,339	805,498

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

	General Needs Housing £	Shared Ownership £	2023 Total £	2022 Total £
Revenue from Lettings				
Rent receivable net of service charges	3,292,518	21,256	3,313,774	3,250,793
Service charges receivable	63,688	710	64,398	64,485
Gross income from rent and service charges	3,356,206	21,966	3,378,172	3,315,278
Less: Rent losses from voids	19,649	64	19,713	22,184
Income from rents and service charges	3,336,557	21,902	3,358,459	3,293,094
Grants released from deferred income	603,169	10,709	613,878	620,788
Revenue grants from Scottish Ministers	53,000	-	53,000	50,000
Other revenue grants	57,513	-	57,513	-
Total turnover from affordable letting activities	4,050,239	32,611	4,082,850	3,963,882
Expenditure on affordable letting activities				
Management and maintenance administration costs	1,203,535	28,409	1,231,944	1,088,301
Service costs	72,407	829	73,236	69,384
Planned and cyclical maintenance, including major repairs	771,009	-	771,009	423,484
Reactive maintenance costs	582,572	-	582,572	604,765
Bad Debts - rents and service charges	7,274	83	7,357	6,892
Depreciation of affordable let properties	1,053,026	11,456	1,064,482	960,222
Operating costs of affordable letting activities	3,689,823	40,777	3,730,600	3,153,048
Operating surplus on affordable letting activities	360,416	(8,166)	352,250	810,834
2022	814,446	(3,612)		

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
NOTES TO THE FINANCIAL STATEMENTS (continued)

Restated							
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) 2023	Operating surplus / (deficit) 2022
	£	£	£	£	£	£	£
Factoring	-	7,467	7,467	-	9,421	(1,954)	(5,336)
Services Contract	-	-	-	-	-	-	-
HEAT	174,533	-	174,533	-	174,533	-	-
Other activities	-	21,758	21,768	-	12,566	9,202	-
Total From Other Activities	174,533	29,235	203,768	-	196,520	7,248	(5,336)
2022	132,600	5,355	137,955	-	143,291	(5,336)	-

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS

	2023 £	2022 £
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)	<u>73,801</u>	<u>70,462</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>7,188</u>	<u>6,905</u>
Emoluments payable to Chief Executive (excluding pension contributions)	<u>73,801</u>	<u>70,462</u>
Total emoluments paid to key management personnel	<u>341,697</u>	<u>261,876</u>

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

	Number	Number
£60,001 to £70,000	1	1
£70,001 to £80,000	-	1
£80,001 to £90,000	<u>1</u>	<u>-</u>

6. EMPLOYEE INFORMATION

	2023 No.	2022 No.
Average monthly number of full time equivalent persons employed during the year	<u>16</u>	<u>15</u>
Average total number of employees employed during the year	<u>18</u>	<u>17</u>
Staff costs were:	£	£
Wages and salaries	680,995	605,310
National insurance costs	72,318	58,075
Pension costs	59,452	63,451
	<u>812,765</u>	<u>726,836</u>

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2023	2022
	£	£
On bank loans and overdrafts	67,300	30,294

8. SURPLUS FOR THE YEAR

	2023	2022
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	1,054,095	1,019,520
Auditors' remuneration - audit services	9,075	8,250
Auditors' remuneration - other services	630	-
(Loss) on sale of other non-current assets	3,344	-

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)

	2023	2022
	£	£
Net interest on pension obligations	-	(9,000)

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
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 2022	45,376,860	-	646,338	46,023,198
Additions	1,113,322	-	-	1,113,322
Disposals	(409,995)	-	(78,135)	(488,130)
At 31 March 2023	46,080,187	-	568,203	46,648,390
DEPRECIATION				
At 1 April 2022	17,261,589	-	275,452	17,537,041
Charge for Year	984,745	-	11,456	996,201
Disposals	(341,301)	-	(34,581)	(375,882)
At 31 March 2023	17,905,033	-	252,327	18,157,360
NET BOOK VALUE				
At 31 March 2023	28,175,154	-	315,876	28,491,030
At 31 March 2022	28,115,271	-	370,886	28,486,157

Expenditure on Existing Properties	2023		2022	
	Component replacement £	Improvement £	Component replacement £	Improvement £
Amounts capitalised	1,113,322	-	1,010,829	-
Amounts charged to the statement of comprehensive income	-	1,353,581	-	1,028,429

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £13,977,602 (2022 - £13,392,578)

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 2022	1,105,337	37,693	58,523	1,201,553
Additions	-	452	3,002	3,454
At 31 March 2023	1,105,337	38,145	61,525	1,205,007
DEPRECIATION				
At 1 April 2022	77,957	12,350	40,682	130,989
Charge for year	36,808	5,666	15,420	57,894
At 31 March 2023	114,765	18,016	56,102	188,883
NET BOOK VALUE				
At 31 March 2023	990,572	20,129	5,423	1,016,124
At 31 March 2022	1,027,380	25,343	17,841	1,070,564

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

12 RECEIVABLES		
	2023	2022
	£	£
Gross arrears of rent & service charges	107,186	113,646
Less: Provision for doubtful debts	(52,653)	(55,353)
<i>Net arrears of rent and service charges</i>	54,533	58,293
Other receivables	140,637	127,493
	<u>195,170</u>	<u>185,786</u>
13 CASH AND CASH EQUIVALENTS		
	2023	2022
	£	£
Cash at bank and in hand	<u>4,233,769</u>	<u>4,059,363</u>
14. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2023	2022
	£	£
Bank loans	395,675	331,776
Rent received in advance	108,472	118,321
Other taxation and social security	18,551	17,263
Other payables	217,712	191,256
Accruals and deferred income	269,564	329,921
	<u>1,009,974</u>	<u>988,537</u>

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	2023	2022
	£	£
Bank loans	3,641,826	3,130,578

16. DEBT ANALYSIS - BORROWINGS

	2023	2022
	£	£
Bank Loans		
Amounts due within one year	395,675	331,776
Amounts due in one year or more but less than two years	398,660	332,802
Amounts due in two years or more but less than five years	987,167	884,460
Amounts due in more than five years	2,255,999	1,913,316
	<u>4,037,501</u>	<u>3,462,354</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	4.6%	2036	Variable
RBS	98	1.6%	2036	Fixed
RBS	98	1.1%	2036	Fixed
RBS	49	4.6%	2036	Variable
RBS	110	4.6%	2040	Variable
Scottish Government	-	0.0%	2025	Interest Free

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

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

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

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

The last valuation of the Scheme was performed as at 30 September 2021 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £1,173m. The valuation revealed a shortfall of assets compared with the value of liabilities of £27m (equivalent to a past service funding level of 98%).

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)

	2023	2022
	£	£
Fair value of plan assets	2,581,000	4,076,000
Present value of defined benefit obligation	2,699,000	4,125,000
Defined benefit asset / (liability) to be recognised	(118,000)	(49,000)

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 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

	2023	2022
	£	£
Defined benefit obligation at the start of period	4,125,000	4,406,000
Expenses	4,000	3,000
Interest expense	109,000	94,000
Actuarial losses (gains) due to scheme experience	(31,000)	33,000
Actuarial losses (gains) due to changes in demographic assumptions	(71,000)	14,000
Actuarial losses (gains) due to changes in financial assumptions	(1,002,000)	(330,000)
Benefits paid and expenses	(435,000)	(95,000)
Defined benefit obligation at the end of period	2,699,000	4,125,000

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

	2023	2022
	£	£
Fair value of plan assets at start of period	4,076,000	3,954,000
Interest income	109,000	85,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(1,241,000)	24,000
Contributions by the employer	72,000	108,000
Benefits paid and expenses	(435,000)	(95,000)
Fair value of plan assets at the end of period	2,581,000	4,076,000

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 to 31 March 2023 was (£1,132,000).

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
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

	2023	2022
	£	£
Expenses	4,000	3,000
Net interest expense	-	9,000
	<u>4,000</u>	<u>12,000</u>
Defined benefit costs recognised in statement of comprehensive income	4,000	12,000

Defined benefit costs recognised in the other comprehensive income

	2023	2022
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	(1,241,000)	24,000
Experience gains and losses arising on plan liabilities - gain /(loss)	31,000	(33,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	71,000	(14,000)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	1,002,000	330,000
	<u>(137,000)</u>	<u>307,000</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	(137,000)	307,000
	<u>(137,000)</u>	<u>307,000</u>
Total amount recognised in other comprehensive income - gain (loss)	(137,000)	307,000

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2023	2022	2021
	£	£	£
Absolute Return	35,000	187,000	195,000
Alternative Risk Premia	15,000	168,000	159,000
Corporate Bond Fund	3,000	258,000	298,000
Credit Relative Value	98,000	131,000	114,000
Distressed Opportunities	79,000	146,000	135,000
Emerging Markets Debt	20,000	152,000	159,000
Global Equity	68,000	806,000	612,000
Infrastructure	278,000	254,000	221,000
Insurance-Linked Securities	72,000	85,000	83,000
Liability Driven Investment	1,093,000	986,000	951,000
Long Lease Property	87,000	117,000	92,000
Net Current Assets	6,000	13,000	29,000
Over 15 Year Gilts	-	2,000	2,000
Private Debt	115,000	103,000	93,000
Property	108,000	106,000	71,000
Risk Sharing	188,000	133,000	141,000
Secured Income	173,000	218,000	217,000
Opportunistic Illiquid Credit	114,000	135,000	101,000
Liquid credit	-	26,000	68,000
High Yield	13,000	40,000	104,000
Opportunistic Credit	-	14,000	108,000
Cash	11,000	11,000	1,000
Currency Hedging	5,000	(15,000)	-
Total assets	2,581,000	4,076,000	3,954,000

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

	2023	2022	2021
Discount Rate	4.9%	2.8%	2.2%
Inflation (RPI)	3.2%	3.6%	3.3%
Inflation (CPI)	2.7%	3.2%	2.9%
Salary Growth	3.7%	4.2%	3.9%

	75% of maximum allowance	75% of maximum allowance	75% of maximum allowance
Allowance for commutation of pension for cash at retirement			

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65 years (years)
Male retiring in 2023	20.5
Female retiring in 2023	23
Male retiring in 2043	21.7
Female retiring in 2043	24.4

CLYDESDALE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

18. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
Capital grants received			
At 1 April 2022	28,457,295	514,598	28,971,893
Eliminated on disposal	(299,790)	(1,794)	(301,584)
At 31 March 2023	<u>28,157,505</u>	<u>512,804</u>	<u>28,670,309</u>
Amortisation			
At 1 April 2022	13,702,141	238,892	13,941,033
Amortisation in year	603,097	10,780	613,877
At 31 March 2023	<u>14,037,951</u>	<u>247,878</u>	<u>14,285,829</u>
Net book value			
At 31 March 2023	<u>14,119,554</u>	<u>264,926</u>	<u>14,384,480</u>
At 31 March 2022	<u>14,755,154</u>	<u>275,706</u>	<u>15,030,860</u>

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

	2023 £	2022 £
Amounts due within one year	613,877	620,788
Amounts due in more than one year	13,770,602	14,410,072
	<u>14,384,479</u>	<u>15,030,860</u>

19. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2023 £	2022 £
At 1 April	117	110
Issued in year	14	18
Cancelled in year	(7)	(11)
At 31 March	<u>124</u>	<u>117</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 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

20. CASH FLOWS

Reconciliation of net cash flow to movement in net funds

	£	2023 £	£	2022 £
Increase / (decrease) in cash	174,406		(242,971)	
Cashflow from change in net debt	(575,147)		337,983	
Movement in net funds in the year		(400,741)		95,012
Net funds at 1 April		597,009		501,997
Net funds at 31 March		196,268		597,009

	At 01 April 2022	Cashflows	Other Changes	At 31 March 2023
	£	£	£	£
Cash and cash equivalents	4,059,363	174,406	-	4,233,769
	4,059,363	174,406	-	4,233,769
Debt: Due within one year	(331,776)	(575,147)	511,248	(395,675)
Due after more than one year	(3,130,578)	-	(511,248)	(3,641,826)
Net funds	597,009	(400,741)	-	196,268

21. CAPITAL COMMITMENTS

	2023 £	2022 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	10,206	915,659

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

22. COMMITMENTS UNDER OPERATING LEASES

	2023 £	2022 £
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	2,856
Expiring later than one year and not later than five years	2,856	5,712

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 £3,951 (2022 - £419) 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 2023 NOTES TO THE FINANCIAL STATEMENTS (continued)

25. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2023 No.	2022 No.
General needs	742	742
Shared ownership	8	9
	<u>750</u>	<u>751</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:

	2023 £	2022 £
Rent received from tenants on the Management Committee and their close family members	<u>6,623</u>	<u>9,305</u>

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £650 (2022 - £182).

Members of the Management Committee who are tenants	2	2
Members of the Management Committee who are local councillors	1	1

SHARE provided training services to Clydesdale Housing Association in the year. The amount paid to SHARE amounted to £9,800 (2022: £11,742), of this £3,555 (2022: £515) was outstanding at the year end.

27. CONTINGENT LIABILITY

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 it being unlikely to be resolved before the end of 2024 at the earliest. 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.

28. Prior Year Adjustment

Income and expenditure in the year to March 2022 has been increased by £132,600 in relation to the HEAT project. There is no net effect on the surplus for the year or the reserves position at the year end.