

ANNUAL GENERAL MEETING		THURSDAY 16TH SEPTEMBER 2021
AGENDA ITEM:	7	PRESENTATION OF ANNUAL ACCOUNTS, BALANCE SHEET & AUDITORS REPORT

CRAIGDALE HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Registered Housing Association No. HAL 95

Financial Conduct Authority No. 2296R(S)

Scottish Charity No. SC031879

CRAIGDALE HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS
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CRAIGDALE HOUSING ASSOCIATION LIMITED

BOARD, EXECUTIVES AND PROFESSIONAL ADVISORS

FOR THE YEAR ENDED 31 MARCH 2021

BOARD

Christine McCormack
Morag Cameron
Claire Taylor
Helen Bayne
John Kilpatrick
Des Phee
Andrew Stevenson
Hilary Tennant
Christine Leitch
Peter Menellis

Vice Chairperson

Treasurer
Chairperson
Secretary
Resigned 26 April 2021

Resigned 26 April 2021
Resigned 26 April 2021

EXECUTIVE OFFICERS

David Mackenzie - Director

REGISTERED OFFICE

83/85 Dougrie Road
Castlemilk
Glasgow
G45 9NS

AUDITOR

Azets Audit Services
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA48WF

INTERNAL AUDITOR

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

BANKERS

Bank of Scotland
82 Main Street
Rutherglen
G73 2HZ

SOLICITORS

BTO
48 St. Vincent Street
Glasgow
G25HS

Mellicks
160 Hope Street
Glasgow
G2 2TL

FINANCE AGENTS

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

CRAIGDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The Board presents their report and financial statements for the year ended 31 March 2021.

Principal activities

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

Covid 19

2020/21 presented one of the most challenging years ever for Craigdale with the COVID 19 pandemic dramatically changing how we provide services to our tenants.

We reacted by ensuring that our tenants were as safe as possible making outbound telephone calls at the beginning of the pandemic to make sure everyone was ok. Our staff observed Scottish Government guidelines, by working from home during periods of lockdown with our office closed to the public.

We had to suspend non-emergency repairs on 2 occasions in 2020/21 and our investment programme was impacted throughout the year as we had to observe Scottish Government guidelines.

We received grant funding from the National Lottery, the Scottish Government and Cash for Kids to support our tenants and the funding was distributed directly to tenants, through our Craigdale Cares campaign.

Office improvements

During the year we managed to carry out improvements to our office, which has been modernised with direct access for wheelchairs now available. Further improvements have taken place with a larger reception area and 2 interview rooms now available.

Governance

We are governed by a Board of 10 members, with no co-optee Board Members. We had to quickly re-arrange how we conducted meetings during the year and have continued with our normal meeting schedule, through Zoom Video Conference meetings.

Business Plan 2021-2024

The Association revised its 3-year Business Plan in November 2020 and reframed the existing 5 strategic objectives and created 1 new strategic objective. The new plan was agreed in March 2021 and will cover the period 2021-2024. The new Strategic Objectives are detailed below:

- Investing in our homes for a sustainable future
- Providing excellent customer services
- Working with partners to improve communities and tenants lives
- Deliver excellence in Governance, Risk Management, and Assurance
- Demonstrate value for money and strong financial management
- Value our people

CRAIGDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

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

Staffing Update

We appointed our new Chief Executive Officer, David Mackenzie in May 2020 and said our farewells to our longstanding and popular member of staff Angela Hughes, who was replaced by Sam Morton in February 2021 as our Senior Housing Services Officer.

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

In February 2021, our team were recognized with a Chartered Institute of Housing award for our Craigdale Cares work as best frontline news story of the year. This was a fantastic achievement and was down to the hard work of our staff to support our tenants.

Communications

We launched our new website in 2020 and introduced a new Facebook page to ensure that we could communicate quickly with tenants, whilst still issuing our popular newsletters throughout the year.

New Build

Planning consent was received in 2021 to build 36 new affordable homes at Glenacre Terrace, providing much needed new homes in Castlemilk. This will be the first new build development since 2007 and we will be working in partnership with AS Homes with homes due to complete in 2022.

Housing Management

The Association's Housing Services Team had another busy and successful year, despite the challenges caused by the Covid 19 pandemic. Some of our timescales were seriously affected by Covid 19 however when compared against other Registered Social Landlords our performance fares very well.

Here are some of the Team's key achievements for the year ending 31 March 2021:

- 14 properties were re-let during the year
- The average time to re-let a property was 11.93 days
- Void loss was 0.12%
- Gross rent arrears were 2.60%
- Average time taken to complete adaptations was 19.58 days

Maintenance

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

- Tenants reported 315 emergency repairs
- Average length of time taken to complete emergency repairs was 2.15 hours
- Tenants reported 579 non-emergency repairs
- Average length of time taken to complete non-emergency repairs was 3.22 days
- 94.17% of the Association's reactive repairs were completed right first time

CRAIGDALE HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

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

Community Involvement

Craigdale takes great pride in delivering an exciting schedule of community events and competitions throughout the year, for its tenants and their families. Unfortunately, this was severely constrained in 2020/21 and only the following activities were able to take place during the year:

- Twelve Days of Christmas with cash prizes
- Free books for the under 5's through Dolly Parton's Imagination Library

The Craigdale Board decided to distribute the budget that would have been used on community events throughout the year directly to tenants. This meant that every tenant received a £25 gift voucher as a way of recognizing that events had not been able to take place.

CRAIGDALE HOUSING ASSOCIATION LIMITED
REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

Tenant Satisfaction

In March 2019 an independent company carried out our 3 yearly Tenant Satisfaction Survey, the results of which are noted in the table below. The survey results demonstrate the high tenant satisfaction levels Craigdale has in relation to its service delivery and landlord functions. As always, there is room for improvement and we will work on this throughout the following year. We established a tenants panel in 2020 and whilst we have been unable to meet in person we have started to consult on issues including our new business plan.

A full survey will take place in 2021 and in the meantime we continue to carry out smaller surveys seeking areas for improvement from our tenants.

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

CRAIGDALE HOUSING ASSOCIATION LIMITED
REPORT OF THE BOARD (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

Board and executive officers

The members of the Board hold one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and although not having the legal status of directors they act as executives within the authority delegated by the Board. The members of the board are also Trustees of the charity. Members of the Board are appointed by the members at the Association's Annual General Meeting.

Statement of the Board's responsibilities

Statute requires the Board to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the income and expenditure of the Association for that period. In preparing those Financial Statements, the Board is required to:

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

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

Information for the Auditor

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

Charitable Donations

During the year, the Association made charitable donations amounting to £900 (2020 - £740).

Auditor

On 7 September 2020 Group Audit Services Limited trading as Scott Moncrieff Audit Services changed its name to Azets Audit Services Limited. The name they practise under is Azets Audit Services and accordingly they have signed their report in their new name.

A resolution to re-appoint Azets Audit Services will be put to the members at the Annual General Meeting

The Report of the Board (incorporating the Strategic Report) has been approved by the Board on 23 August 2021 and signed on their behalf by:

Signature Redacted

Des Phee
Secretary

CRAIGDALE HOUSING ASSOCIATION LIMITED

BOARD'S STATEMENT ON INTERNAL FINANCIAL CONTROLS

FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

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

The Board have reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2021 and until the below date. No weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

The Board's statement on Internal Financial Controls has been approved by the Board on 23 August 2021 and signed on their behalf by:

Signature Redacted

Des Phee
Secretary

CRAIGDALE HOUSING ASSOCIATION LIMITED

AUDITOR'S REPORT ON CORPORATE GOVERNANCE MATTERS

FOR THE YEAR ENDED 31 MARCH 2021

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

Basis of Opinion

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

Opinion

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

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

Signature Redacted

Azets Audit Services

Chartered Accountants

Titanium 1

King's Inch Place

Renfrew

PA4 BWF

Dated:

CRAIGDALE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAIGDALE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Craigdale Housing Association Limited (the 'Association') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Changes in Capital and Reserves, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

CRAIGDALE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAIGDALE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of the Board's Responsibilities set out on page 5 the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

CRAIGDALE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAIGDALE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

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

the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

we identified the laws and regulations applicable to the Association through discussions with the Board members and the senior management team, and from our knowledge and experience of the RSL sector;

we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;

we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the senior management team and the Board and inspecting legal correspondence; and

identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

making enquiries of the senior management team and the Board as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and

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

performed analytical procedures to identify any unusual or unexpected relationships;

tested journal entries to identify unusual transactions;

assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

investigated the rationale behind significant or unusual transactions.

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

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

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

CRAIGDALE HOUSING ASSOCIATION LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAIGDALE HOUSING ASSOCIATION
LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

Use of our report

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

Signature Redacted

**Azets Audit Services
Statutory Auditor
Chartered Accountants**

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date:

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

CRAIGDALE HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
	Notes	£	£
Turnover	4	1,933,910	<i>1,851,142</i>
Operating expenditure	4	(1,555,417)	<i>(1,451,801)</i>
Operating surplus	4	378,493	<i>399,341</i>
Interest receivable and other income	10	3,015	<i>10,855</i>
Interest payable and similar charges	11	(10,754)	<i>(29,818)</i>
Surplus before taxation		370,754	<i>380,378</i>
Taxation			
Surplus for the year		370,754	<i>380,378</i>
Other Comprehensive Income			
Actuarial (loss)/gain on the SHAPS liability	23	(219,000)	<i>238,005</i>
Total comprehensive income for the year		151,754	<i>618,383</i>

The results for the year relate wholly to continuing activities.

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

CRAIGDALE HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2021

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

STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2020

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

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

CRAIGDALE HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

		2021	2020
	Notes	£	£
Tangible fixed assets			
Housing properties	12a	16,382,052	16,276,601
Other Fixed Assets	12b	370,570	219,187
		16,752,622	16,495,788
Current assets			
Debtors	13	636,320	47,895
Cash at bank and in hand	14a	1,075,507	1,328,043
Short term deposits	14b	500,000	500,000
		2,211,827	1,875,938
Creditors			
Amounts falling due within one year	15	(625,334)	(402,942)
Net current assets		1,586,493	1,472,996
Total assets less current liabilities		18,339,115	17,968,784
Creditors			
Amounts falling due after more than one year	16	(1,271,682)	(1,451,515)
Pension - defined benefit liability	23	(175,000)	
Deferred income			
Social housing grants	17	(9,786,072)	(9,555,731)
Other grants	17	(185,220)	(192,080)
Net assets		6,921,141	6,769,458
Capital and reserves			
Called up share capital	18	74	145
Revenue reserves	20	6,921,067	6,769,313
		6,921,141	6,769,458

The Financial Statements were authorised for issue by the Board of Management on 23 August 2021 and signed on its behalf by:

Signature Redacted
J Kilpatrick
Chairperson

Signature Redacted
D Phee
Secretary

Signature Redacted
H Bayne
Treasurer

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

CRAIGDALE HOUSING ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Net cashflows from operating activities	21	150,962	532,832
Cash flow from investing activities			
Purchase of property components and properties		(616,754)	(291,584)
Capital Grants received		568,510	
Purchase of other fixed assets		(168,991)	(10,199)
Movement of funds on deposit			(500,000)
Interest received		3,015	10,855
		<u>(214,220)</u>	<u>(790,928)</u>
Cash flow from financing activities			
Interest paid		(10,754)	(23,818)
Repayment of borrowings		(178,525)	(399,431)
Issue of share capital		1	4
		<u>(189,278)</u>	<u>(423,245)</u>
Net changes in cash and cash equivalents		<u>(252,536)</u>	<u>(681,341)</u>
Cash and cash equivalents at 1 April		<u>1,328,043</u>	<u>2,009,384</u>
Cash and cash equivalents at 31 March	14a	<u>1,075,507</u>	<u>1,328,043</u>

(i) Analysis of changes in net debt	At 1 April 2020 £	Cashflows £	Other non- cash changes £	At 31 March 2021 £
Cash and cash equivalents				
Cash	1,328,043	(252,536)		1,075,507
Overdrafts				
Cash equivalents	500,000			500,000
	<u>1,828,043</u>	<u>(252,536)</u>		<u>1,575,507</u>
Borrowings				
Debt due within one year	179,263	(178,525)	191,487	180,571
Debt due after one year	1,451,515		(191,487)	1,271,682
	<u>1,630,778</u>	<u>(178,525)</u>		<u>1,452,253</u>
Total	<u>197,265</u>	<u>(74,011)</u>		<u>123,254</u>

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

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

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

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

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

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

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

The Association's principal place of business is 83/85 Dougrie Road, Castlemilk, Glasgow. The Association owns and manages social housing property in Castlemilk.

2. Principal accounting policies

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

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

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting. The effects of events relating to the year ended 31 March 2021, which occurred before the date of approval of the financial statements by the Board of Management have been included in the statements to the extent required to show a true and fair view of the statement of affairs as at 31 March 2021 and of the results for the year ended on that date.

Going Concern

The Board anticipate that a surplus will be generated in the year to 31 March 2022 and the year to 31 March 2023. The Association has a healthy cash and net current asset position and thus the Board is satisfied that there are sufficient resources in place to continue operating for the foreseeable future. This assessment of going concern includes the expected impact of COVID-19 to the entity in the 12 months following the signing of these financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (cont'd)

Turnover

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

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

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

Interest receivable

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

Interest Payable

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

Housing properties

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

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

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

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

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

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

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

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

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (cont'd)

Depreciation

(i) Housing Properties

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

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

Other fixed assets

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

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

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

Sales of housing properties

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

Improvements

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

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

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

Impairment of fixed assets

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

CRAIGDALE HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (cont'd)

Debtors

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

Rental arrears

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

Cash and Cash Equivalents

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

Current asset investments

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

Creditors

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

Loans

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

Social housing grant & other grants

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

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

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

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

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (cont'd)

Non-government capital and revenue grants

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

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

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

Financial instruments

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

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

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

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

Operating leases

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

Pension Costs (note 23)

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

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

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (cont'd)

Pension Costs (note 23)

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

3. Judgements in applying policies and key sources of uncertainty

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

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

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

Estimate

Basis of estimation

Useful lives of property and equipment

The useful lives of property and equipment are based on the knowledge of senior management at the Association, with reference to expected asset life cycles.

The main components of housing properties and their useful lives

The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.

Recoverable amount of rental and other trade receivables

Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.

The obligations under the SHAPs pension scheme

This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate. Additionally, the impact of Guaranteed Minimum Pension (GMP) equalisation has been included in the SHAPS defined benefit liability.

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

		2021			2020		
		Turnover	Operating	Operating	Turnover	Operating	Operating
		£	Expenditure	Surplus/ (Deficit)	£	Expenditure	Surplus/ (Deficit)
			£	£		£	£
Income and expenditure from letting activities							
Affordable and expenditure from letting activities	5	1,899,392	(1,508,566)	390,826	1,849,688	(1,450,137)	399,551
Other activities	6	34,518	(46,851)	(12,333)	1,454	(1,664)	(210)
		<u>1,933,910</u>	<u>(1,555,417)</u>	<u>378,493</u>	<u>1,851,142</u>	<u>(1,451,801)</u>	<u>399,341</u>

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Particulars of income & expenditure from affordable letting activities

	General Needs Housing £	Shared Ownership £	2021 Total £	2020 Total £
Revenue from lettings				
Rent receivable net of service charges	1,517,890	5,314	1,523,204	1,492,645
Less: Rent Losses from Voids	(2,697)		(2,697)	(2,367)
Net rents receivable	1,515,193	5,314	1,520,507	1,490,278
Grants released from deferred income	345,029		345,029	350,948
Other revenue grants from Scottish Ministers	33,856		33,856	8,462
Total turnover from affordable letting activities	1,894,078	5,314	1,899,392	1,849,688
Expenditure on affordable letting activities				
Management and Maintenance administration costs	586,697	1,765	588,462	621,648
Planned and cyclical maintenance including major repairs	333,248		333,248	256,508
Reactive maintenance	72,950		72,950	111,853
Bad debts - rents and service charges	2,604		2,604	6,887
Depreciation of affordable let properties	509,045	2,257	511,302	453,241
Operating costs of affordable letting activities	1,504,544	4,022	1,508,566	1,450,137
Operating Surplus on affordable letting activities	389,534	1,292	390,826	399,551
Operating Surplus for affordable letting activities 2020	394,835	4,716		

The amount for service charges receivable on housing accommodation not eligible for Housing Benefit was £nil (2020 - £nil).

Included in depreciation of social housing is £12,146 (2020 - £13,528) relating to the loss on disposal of components.

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

	Grants from Scottish Ministers £	Other Revenue Grants £	Supporting People Income £	Other Income £	Total Turnover £	Operating Costs - Bad Debts £	Other Operating Costs £	Operating surplus/ (deficit) 2021 £	Operating surplus/ (deficit) 2020 £
Wider role activities				32,390	32,390		(44,913)	(12,523)	(210)
Bad Debt						190		190	
Factoring				2,128	2,128		(2,128)		
Total from other activities 2021				34,518	34,518	190	(47,041)	(12,333)	(210)
<i>Total from other activities 2020</i>				1,454	1,454		(1,664)		

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Officer's emoluments

The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Board, managers and employees of the Association. The Association considers key management personnel to be the Board and the Director of the Association only.

	2021	<i>2020</i>
	£	£
Aggregate emoluments payable to key management personnel (excluding Pension contributions)	47,540	<i>77,187</i>
Pension contributions payable to key management personnel with emoluments greater than £60,000		
Emoluments payable to Chief Executive (excluding pension contributions)	47,540	<i>77,187</i>
Total emoluments paid to key management personnel	52,294	<i>82,630</i>

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

The national insurance costs encountered during the year on behalf of the key management personnel were £5,449 (2020 - £6,570).

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

	Number	<i>Number</i>
£60,000 to £70,000		

8. Employees information

The average total number of employees employed during the year was:

	2021	<i>2020</i>
	£	£
Wages and salaries	261,012	<i>250,805</i>
Social security costs	22,731	<i>23,811</i>
Pension costs	27,275	<i>23,366</i>
	311,018	<i>297,982</i>

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

S. Employee information (continued)

During the year past service deficit contributions of £44,821 (2020 - £45,774) were paid. Of this payment £43,378 (2020 - £44,439) was a payment in respect of the SHAPS past service deficit liability. The remainder of £1,444 (2020- £1,335) was pension management costs which have been included in the pension contributions total included in staff costs above.

	2021	<i>2020</i>
	£	£
9. Surplus for the year		
Surplus is stated after charging:		
Depreciation	516,765	<i>456,564</i>
Loss on disposal of components	12,146	<i>13,528</i>
Auditor's remuneration - Audit services	8,630	<i>7,200</i>
	<hr/> 	<hr/> <i></i>
10. Interest receivable	2021	<i>2020</i>
	£	£
Bank interest	3,015	<i>10,855</i>
	<hr/> 	<hr/> <i></i>
11. Interest payable and similar charges	2021	<i>2020</i>
	£	£
On bank loans and overdrafts	10,754	<i>23,818</i>
Defined benefit pension liability - interest charge (Note 23)		<i>6,000</i>
	<hr/> 10,754	<hr/> <i>29,818</i>

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	Housing Properties Held For Letting £	Completed Shared Ownership Properties £	Housing Properties Under Development £	Total £
12. Tangible fixed assets				
a) Housing properties				
Cost				
As at 1 April 2020	24,474,238	135,396	6,600	24,616,234
Additions during the year				
Property			561,910	561,910
Components	54,844			54,844
Disposals during the year				
Property				
Components	(82,824)			(82,824)
As at 31 March 2021	24,446,258	135,396	568,510	25,150,164
Depreciation				
As at 1 April 2020	8,291,342	48,291		8,339,633
Charge for year	496,900	2,257		499,157
Disposals during the year				
Property				
Components	(70,678)			(70,678)
As at 31 March 2021	8,717,564	50,548		8,768,112
Net book value				
As at 31 March 2021	15,728,694	84,848	568,510	16,382,052
<i>As at 31 March 2020</i>	<i>16,182,896</i>	<i>87,105</i>	<i>6,600</i>	<i>16,276,601</i>

Additions to housing properties include capitalised development administration costs of £nil (2019 - £nil) and capitalised major repair costs to existing properties of £54,844 (2019 - £221,174).

All land and housing properties are freehold.

Total expenditure on existing properties in the year amounted to £461,042 (2020 - £659,845). The amount capitalised is £54,844 (2020 - £291,584), with the balance of £406,198 (2020 - £368,261) charged to the Statement of Comprehensive Income. The amounts capitalised can be further split between component replacement of £54,844 (2020 - £221,174) and acquisitions of £nil (2020 - £70,410).

Components with a cost of £82,824 (2020 - £97,891) and depreciation of £70,678 (2020 - £84,363) were disposed in the year.

Housing stock	2021 No	2020 No
The number of units of accommodation in management at the year end was:		
General needs - Built by Association	223	223
General needs - Purchased by Association	146	146
Shared ownership	3	3
	372	372

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Tangible fixed assets

b) Other tangible assets

	Computer Equipment £	Office Equipment £	Office Premises £	Furniture & Equipment £	Total £
Cost					
As at 1 April 2020	37,289	25,346	327,638	9,325	399,598
Additions	1,105		163,654	4,232	168,991
Disposals					
As at 31 March 2021	<u>38,394</u>	<u>25,346</u>	<u>491,292</u>	<u>13,557</u>	<u>568,589</u>
Depreciation					
As at 1 April 2020	27,730	25,346	118,010	9,325	180,411
Charge for year	6,727		9,823	1,058	17,608
Disposals					
As at 31 March 2021	<u>34,457</u>	<u>25,346</u>	<u>127,833</u>	<u>10,383</u>	<u>198,019</u>
Net book value					
As at 31 March 2021	<u>3,937</u>		<u>363,459</u>	<u>3,174</u>	<u>370,570</u>
<i>As at 31 March 2020</i>	<u>9,559</u>		<u>209,628</u>		<u>219,187</u>

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021	<i>2020</i>
	£	£
13. Debtors		
Arrears of Rent and Service Charges	47,458	47,892
Less: Provision for doubtful debts	(24,500)	(22,000)
	22,958	25,892
Other debtors	613,362	22,003
	636,320	47,895
	2021	<i>2020</i>
	£	£
14a. Cash and cash equivalents		
Balances held in current accounts	1,075,507	1,328,043
	2021	<i>2020</i>
	£	£
14b. Short term deposits		
Balances held in short term deposit accounts	500,000	500,000
	2021	<i>2020</i>
	£	£
15. Creditors: Amounts falling due within one year		
Housing Loans	180,571	179,263
Trade Creditors	351,579	129,952
Rent in advance	75,958	76,665
Other Creditors	11,116	662
Accruals and deferred income	6,110	16,400
	625,334	402,942

At the Statment of Financial Position date there were pension contributions outstanding of £753 (2020 - *£nil*).

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Creditors: Amounts falling due after more than one year	2021	2020
	£	£
Housing loans	(1,271,682)	1,451,515
	(1,271,682)	1,451,515
Housing loans		
Amounts due within one year	180,571	179,263
Amounts due in one year or more but less than two years	93,597	188,238
Amounts due in two years or more but less than five years	286,798	290,390
Amounts due in more than five years	891,287	972,887
	1,452,253	1,630,778
Less: Amounts shown in current liabilities	(180,571)	(179,263)
	1,271,682	1,451,515

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

The Association has a number of long term housing loans, the terms and conditions of which fall into the following categories: £1,452,253 at base rate or three month LIBOR plus margin (0.4% - 1.00%) secured over 150 properties, all expiring between 2026 and 2036. The net book value of housing properties secured at the year-end was £8,092,563 (2020 - £8,330,740).

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	Housing Properties For Letting £	Shared Ownership Properties £	Total £
17. Deferred income			
<u>Social Housing Grants</u>			
<i>Balances as at 1 April 2020</i>	16,459,007	115,281	16,574,288
<i>Additions</i>	568,510		568,510
<i>Eliminated on disposals components & properties</i>	(25,483)		(25,483)
Balances as at 31 March 2021	17,002,034	115,281	17,117,315
<u>Amortisation</u>			
<i>Balance as at 1 April 2020</i>	6,979,031	39,526	7,018,557
<i>Amortisation in year</i>	326,728	1,976	328,704
<i>Eliminated on disposal</i>	(16,018)		(16,018)
Balances as at 31 March 2021	7,289,741	41,502	7,331,243
NET BOOK VALUE:			
Balances as at 31 March 2021	9,712,293	73,779	9,786,072
<i>Balances as at 31 March 2020</i>	9,479,976	75,755	9,555,731
<u>Other grants:</u>			
<i>Balances as at 1 April 2020</i>	343,000		343,000
Balances as at 31 March 2021	343,000		343,000
<u>Amortisation</u>			
<i>Balance as at 1 April 2020</i>	150,920		150,920
<i>Amortisation in year</i>	6,860		6,860
Balances as at 31 March 2021	157,780		157,780
Net book value			
Balances as at 31 March 2021	185,220		185,220
<i>Balances as at 31 March 2020</i>	192,080		192,080
Total grants net book value as at 31 March 2021	9,897,513	73,779	9,971,292
This is expected to be released to the Statement of Comprehensive Income in the following years:			
	2021	2020	
	£	£	
Amounts due within one year	335,564	336,341	
Amounts due after more than one year	9,635,728	9,411,470	
	9,971,292	9,747,811	

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

18. Share capital	2021	2020
	£	£
Shares of £1 each issued and fully paid		
At 1 April 2020	145	144
Issued in year	1	4
Cancelled in year	(72)	(3)
Balance as at 31 March 2021	74	145

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

19. Related party transactions

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

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

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

Transactions with governing body members (and their close family) included rental income received from Tenants on the Board and their close family members £12,619 (2020 - £20,640).

At the year end total rent arrears owed by the tenant members of the Board (and their close family) were £nil (2020 - £nil). The total prepaid rent relating to tenant members of the board (and their close family) included within creditors at the year end is £249 (2020 - £985).

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

20. Revenue reserves

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

21. Net cash generated from operating activities	2021	2020
	£	£
Cash flow from operating activities		
Surplus for the year	370,754	380,378
<u>Adjustments for non cash items:</u>		
Depreciation of tangible fixed assets	528,911	470,092
(Decrease) in trade and other debtors	(588,425)	(10,069)
Increase in trade and other creditors	221,084	72,749
<u>Adjustments for investing and financing activities:</u>		
Release of deferred Government capital grants	(345,029)	(350,948)
Shares cancelled	(72)	(3)
Interest payable	10,754	29,818
Interest receivable	(3,015)	(10,855)
SHAPS past deficit payment	(44,000)	(48,330)
	150,962	532,832

22. Governing body member emoluments

Board members received £nil (2020 - £2,541) in the year by way of reimbursement of expenses. No remuneration is paid to Board members in respect of their duties in the Association.

23. Pension Obligation

General

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

Final salary with a 1160th accrual rate; Career average revalued earnings with a 1160th accrual rate; a 1170th accrual rate; a 1180th accrual rate; 11120th accrual rate, contracted in; and a Defined Contribution (DC) option.

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

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

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

23. Pension obligation (cont'd)

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

As at the Statement of Financial Position date there were 3 (2020 - 3) active members of the Scheme employed by the Association. The Association continues to offer membership of the Scheme to its employees.

The last triennial valuation of the Scheme was performed as at 30 September 2018 by a professionally qualified actuary using the "projected unit credit" method. The market value of the Scheme's assets at the valuation date was £877 million. The valuation revealed a shortfall of assets compared to liabilities of £121 million, equivalent to a past service funding level of 89%.

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

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

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

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

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

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

23. Pension obligations (cont'd)

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

Assumptions as at	31 March 2021
Inflation (RPI)	3.25
Salary increases	3.87
Discount rate	2.20
Inflation (CPI)	2.87
Allowance for communication of pension for cash on retirement	75% of maximum allowance

Mortality

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at
Male retiring in 2021	21.5
Female retiring in 2021	23.4
Male retiring in 2041	22.8
Female retiring in 2041	25.0

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

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

	Year ended 31-Mar-21 £'000	Year ended 31-Mar-20 £'000
Fair value of plan assets	1,672	1,521
Present value of defined benefit obligation	(1,847)	(1,521)
Defined benefit liability to be recognised	(175)	

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**



23. Pension obligations (cont'd)

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

23. Pension obligations (cont'd)

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31-Mar-21 £'000	Year ended 31-Mar-20 £'000
Defined benefit obligation at start of period	(1,516)	(1,647)
Current service cost		
Expenses	(1)	(1)
Interest expense	(35)	(38)
Actuarial (losses) due to scheme experience	(8)	(61)
Actuarial gains due to changes in demographic assumptions		10
Actuarial (losses)/gains due to changes in financial assumptions	(337)	189
Benefits paid and expenses	50	27
Defined benefit liability at the end of the period	(1,847)	(1,521)

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

	Year ended 31-Mar-21 £'000	Year ended 31-Mar-20 £'000
Fair value of plan assets at start of the period	1,521	1,367
Interest income	36	32
Experience on plan assets (excluding amounts included in interest income) - gain	120	100
Contributions by the employer	45	49
Benefits paid and expenses	(50)	(27)
Fair value of plan assets at end of period	1,672	1,521

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

23. Pension obligations (cont'd)

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31-Mar-21 £'000	Year ended 31-Mar-20 £'000
Current service cost		
Admin expenses		1
Net interest expense		6
Defined benefit costs recognised in Statement of Comprehensive Income	1	7

Defined benefit costs recognised in Other Comprehensive Income

	Year ended 31-Mar-21 £'000	Year ended 31-Mar-20 £'000
Experience on plan assets (excluding amounts included in net interest cost - gain	120	100
Experience (losses) arising on the plan liabilities - (loss)	(8)	(61)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)/gain	(337)	10
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain		194
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain/(loss)	6	(5)
Total amount recognised in other comprehensive income - (loss)/gain	(219)	238

CRAIGDALE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

23. Pension obligations (cont'd)

Fund allocation for employer's calculated share of assets

	31-Mar-21 £'000	31-Mar-20 £'000
Global Equity	259	209
Absolute Return	82	93
Distressed Opportunities	57	28
Credit Relative Value	48	37
Alternative Risk Premia	67	122
Fund of Hedge Funds		
Emerging Markets Debt	67	54
Risk Sharing	60	48
Insurance-Linked Securities	35	41
Property	30	28
Infrastructure	93	90
Private Debt	39	30
Opportunistic Illiquid Cost	43	37
High Yield	44	
Opportunistic Credit	46	
Cash	1	
Corporate Bond Fund	126	111
Liquid Credit	29	40
Long Lease Property	39	37
Secured Income	92	84
Over 15 Year Gilts	1	19
Liability Driven Investment	402	401
Net Current Assets	12	12
Total Assets	1,672	1,521

CRAIGDALE HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021****23. Pension obligations (cont'd)****Member data summary****Active members**

	Number	Total earnings (£'000s p.a.)	Average age (unweighted)
Males			
Females	3	113	46
Total	3	113	46

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	1	6	53
Females	3	8	54
Total	4	14	53

Pensioners

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	2	9	65
Females	3	18	64
Total	5	27	64

Employer debt on withdrawal

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

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

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

CRAIGDALE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

23. Pension obligations (cont'd)

GMP equalisation

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

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

24. Commitments under operating leases

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

	2021	2020
	£	£
Not later than one year	1,767	131
Later than one year and not later than five years	4,049	
	<u>5,816</u>	<u>131</u>

25. Big Lottery Funding

The income received from the Big Lottery during the year was £9,300.

