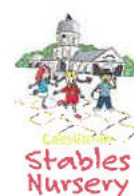


**CASSILTOUN HOUSING ASSOCIATION LIMITED
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

Registered Housing Association No. 84

FCA Registration No. 2190R(S)

Registered Charity No. SC035544



CASSILTOUN HOUSING ASSOCIATION LIMITED
BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Board of Management

George Kelly, Chair
Anne M Stuart MBE, Vice Chairperson
Evelyn Ferguson, Secretary
Richard Sullivan, Treasurer
Julie McNeil
Teresa McGowan
William Craig
Kim McKee
Chris O'Brien
Barbara Dusik
Debbie MacKenzie (resigned 28 April 2021)

Executive Officers

Clair Malpas	Chief Executive
Gamal Haddou	Director of Finance (resigned 28 February 2022)
Fiona McGowan	Director of Operations

Registered Office

Castlemilk Stables
59 Machrie Road
Castlemilk
Glasgow
G45 0AZ

External Auditor

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

Internal Auditor

Wylie & Bissett
168 Bath Street
Glasgow
G2 4TP

Banker

Bank of Scotland
110 St Vincent Street
Glasgow
G2 5ER

Solicitor

T C Young
7 West George Street
Glasgow
G2 1BA

Registration particulars

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered Number 2190 R(S)
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered Number 84
Office of the Scottish Charity Regulator	Charities and Trustee Investment (Scotland) Act 2005 Scottish Charity Number SC 035544

CASSILTOUN HOUSING ASSOCIATION LIMITED

CONTENTS

FOR THE YEAR ENDED 31 MARCH 2022

	Page
Report of the Board of Management (incorporating the Strategic Report)	1
Statement of the Board of Management’s responsibilities	10
Statement on Internal Financial Control	11
Independent Auditor’s Report to the Members of Cassiltoun Housing Association Limited on the Financial Statements	12
Report by the Auditor to the Members of Cassiltoun Housing Association Limited on Internal Financial Controls	17
Group Statement of Comprehensive Income	18
Association Statement of Comprehensive Income	19
Group Statement of Changes in Capital and Reserves	20
Association Statement of Changes in Capital and Reserves	21
Group Statement of Financial Position	22
Association Statement of Financial Position	23
Group Statement of Cash Flows	24
Notes to the financial statements	25

CASSILTOUN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The Board of Management presents its Report of the Board of Management (incorporating the Strategic Report) and the financial statements for the year ended 31 March 2022.

Principal Activities

The principal activity of Cassiltoun Housing Association Limited is the development, management and maintenance of housing for people in housing need.

The Association has two subsidiaries, Cassiltoun Trust and Cassiltoun Stables Nursery Limited. Cassiltoun Trust is a charitable company established to conserve for the benefit of the public, buildings of historical and architectural significance; advance knowledge about the history and role of Castlemilk; and provide facilities for education, training, employment, and recreational time. The principal activity of Cassiltoun Stables Nursery Limited is to provide a first-class nursery childcare facility for 0–5-year-olds set alongside a local park and woodland environment.

Cassiltoun Housing Association Limited is registered with the Financial Conduct Authority as a Community Benefit entity, The Office of the Scottish Charities Regulator (OSCR) as a Charity and the Scottish Housing Regulator as a Registered Social Landlord. The Association is incorporated in Scotland.

The table below shows the property we own: -

	2022	2021
	£	£
<i>Managed Property Numbers</i>		
Tenanted Property	1059	1,017
Shared Ownership Properties	3	3
Buchanan Lodge Residential Home (bedspaces)	40	40
<i>Total</i>	1102	1,060

Our Strategic Aims

Cassiltoun Housing Association Limited has as its Strategic Aims:

- To ensure our rents remain affordable by maintaining a stock base sufficient to achieve economies of scale and deliver effective services in a cost efficient way.
- Maintain the high quality of our housing and service provision, ensuring the comfort of tenants and the protection of our investment.
- Contribute to the wellbeing of the local community by working with tenants, residents, partners and funders to develop initiatives that promote regeneration and increased levels of inclusion.
- Ensure that the work of the Cassiltoun Group is supported by good governance, effective financial, management and regulatory compliance and robust administrative and HR systems; and
- Ensure we attract and retain highly skilled and knowledgeable staff and Board members and develop our staff and Board members through education, training and coaching.

CASSILTOUN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

Our Operational Objectives 2021/22

- 1 Value for Money
 - a) Complete a staff structure review (Q1)
 - b) Meet all objectives set out in the annual KPI's and SMART plans (Q4)
 - c) Achieve high levels of customer satisfaction (90%) with our Reactive, Cyclical and Environmental contracts (Q4)

- 2 Homes & Neighbourhoods
 - a) Ensure that we deliver the objectives set in the Asset Management Plan & deliver our 2021/22 major repair improvement plans (Q4)
 - b) Achieve all statutory requirements for fire and smoke detectors, legionella, asbestos, electrical and gas requirements (Q4)
 - c) Complete Stock conditions survey (Q1)
 - d) Continue to manage the Castlemilk Drive Development to ensure project meets budgetary and timescale milestones (Q4)
 - e) Pursue site acquisition and planning proposals for Homes by the Park site (Q4)

- 3 Community Regenerations
 - a) Deliver outcomes set out by existing funders and seek other funding and opportunities (Q4)
 - b) Progress with plans for the Social Enterprise and Wellbeing Centre including funding and development plans (Q4)

- 4 Governance & Compliance
 - a) Assess performance against the SHR's Regulatory Framework and submit an Annual Assurance statement (Q3)
 - b) Develop and implement an action plan to ensure that we meet guidance on Equalities and Human Rights (Q2)
 - c) Complete Internal Audit programme of 3 areas (Q4)
 - d) Ensure that Subsidiary Business plans and management agreements are reviewed and approved (Q1)
 - e) Maintain Cyber Essentials accreditation (Q3)
 - f) Review and update 30-year Financial Plan (Q2)
 - g) Support the development of a new scrutiny panel and deliver first report (Q4)

- 5 Our People
 - a) Board membership to remain at 11 as a minimum (Q4)
 - b) Ensure that the Board of Management complete their agreed training and learning plans (Q4)
 - c) Maintain Investors in People platinum standard (Q4)

We completed eleven of these objectives with another nine marked as making progress towards completion. Progress with plans for the Social Enterprise and Wellbeing Centre including funding and development plans has been removed as this was not achievable due to land acquisition issues and change of funding priorities by funders.

Our Mission Statement

We aim to enhance the quality of life of our clients and to regenerate and sustain our community through housing-led and resident controlled initiatives.

CASSILTOUN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

Financial Review

Association

The Association generated a surplus for the year of £275,206 with other comprehensive income of £829,000 in respect of the actuarial gains for the Strathclyde Pension Scheme and the SHAPS Pension Scheme to give total comprehensive income of £1,104,206. The Association had net assets as at 31 March 2022 of £9,403,057.

Group

The Group generated a surplus for the year of £399,491 with other comprehensive income of £829,000 in respect of the actuarial gains for the Strathclyde Pension Scheme and the SHAPS Pension Scheme to give total comprehensive income of £1,228,491. The Group had net assets as at 31 March 2022 of £10,114,858.

Financial and Non-Financial Key Performance Indicators

Association

	2021/22	<i>2020/21</i>
Staff costs / Turnover	26.0%	<i>23.2%</i>
Management administration costs / Turnover	29.4%	<i>25.9%</i>
Reactive maintenance / Turnover	12.1%	<i>13.5%</i>
Bank loan interest payable / Turnover	4.9%	<i>4.2%</i>
Current ratio (current assets / current liabilities)	2.1 times	<i>2.3 times</i>
Bank loan interest cover (operating surplus/bank loan interest)	2.1 times	<i>4.5 times</i>
Asset cover (total assets less current liabilities / creditors > 1yr)	1.3 times	<i>1.3 times</i>
Debt per housing unit (general needs)	£9,547	<i>£7,583</i>

Group

	2021/22	<i>2020/21</i>
Staff costs / Turnover	29%	<i>26.5%</i>
Management administration costs / Turnover	36%	<i>31.3%</i>
Average number of days to pay suppliers	21 days	<i>21 days</i>

CASSILTOUN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

Principal Risk and Uncertainties

The Group has a robust planning framework in place which includes how we manage risk and uncertainties. Each part of the Group has a risk register which is regularly reviewed, and specific areas or activity (for example development) have their own risk registers.

The impact of servicing the SHAPS defined benefit pension liability on the Association's cash flow and the risk in respect of the SHAPS defined benefit pension liability is managed through monitoring the scheme valuations and including all costs into the long-term business plan. In 2022/2023 the Association will be completing a review of its current pension provision.

During this year there was the continued impact of COVID-19 which included higher than normal staff turnover and absence coupled with supply chain issues and inflationary pressures. We were able to effectively utilise our business continuity plan, work with our suppliers, keep our customers informed and importantly our staff team had a flexible approach to enable the business to continue to operate.

These actions have ensured essential business activities continued.

Future Plans

Association

The final properties in our development of 60 flats on Castlemilk Drive will come off site in Spring 2022. This development of 1 and 2-bedroom properties will help alleviate housing need in the area and contribute towards Glasgow City Council's and the Scottish Government's housing plans.

The Association is also undergoing a review of its operations to develop a digital transformation strategy in 2022/23 and look forward to seeing how the recommendation will improve both our internal processes and services to our tenants.

Group

The Stables Nursery provides both indoor and outdoor childcare and is now at capacity. Its future plans are to continue to develop the excellent standards of childcare, recruit and retain its dedicated staff team and continue to improve the Nursery facilities.

Cassiltoun Trust will continue its work with the wider community both in the Stables and in the local woodland by offering a wide range of community focussed activities, improving the greenspace, and creating opportunities for volunteering and training. In 2022/2023 it will complete a review of its financial plans and operational model.

CASSILTOUN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

Corporate Governance

Our governing body is our Board of Management which is responsible to the wider membership. Board of Management members serve in a voluntary and unpaid capacity, and we recognise that this puts even more onus on us to ensure that we set and achieve high standards of professionalism in our work.

The Board of Management is elected by the members of the Association. It is the responsibility of the Board to oversee and lead the strategy and overall direction of the Association, set policy, and monitor the operational activities of the Association and its subsidiary companies.

Going Concern

The Board of Management has reviewed this year's results and projections for the next 30 years. It has a strong expectation that the Group and Association has adequate resources to continue in operational existence for the foreseeable future.

Performance Management

Our strong performance is underpinned by a planning framework which includes SMART plans, a Risk Register, SWOT and PEST analysis, regular monitoring of organisational KPI's, the Asset Management Plan and the Association's Financial Business Plans.

The Association produced its Tenants Charter Report Card in October 2021 which outlined our charter performance and how we benchmark both locally and against the Scottish average. Furthermore, areas that require action for improvement have been identified and published. We receive very few complaints of a serious nature, and we take prompt action to resolve and learn from those received.

Best use of resources

In the year the Association sustained its Investors in People Platinum. The Association is committed to staff development, training, and maintenance of a good working environment. Our ongoing performance, future improvements and strong customer focus depends on a highly motivated and well-trained staff team and we believe our performance, high levels of tenant satisfaction and attendance management demonstrates this. Investment in our staff team is critical to our success.

We continued to complete our planned major repairs programme as we came out of the pandemic and we achieved: -

- £516k undertaking window and front door replacements to 80 flats; and
- £48k on smoke and CO detector upgrades.

Our reactive repairs service is delivered by one multi trade contractor with high tenant satisfaction levels and performance of 89.78 % achieved in the latest tenant's satisfaction survey. Tenants continue to play a vital role in monitoring this performance.

We completed 3,603 repairs, and increase of 62 from the year prior. The table below summarises our targets, repair type and performance.

CATEGORY	TARGET	NUMBER	COMPLETED ON TIME	% COMPLETED WITHIN TIME
Emergency	6 hours	1,315	1,302	99%
Urgent and Routine	3 days / 10 days	2,288	2,162	94.49%

CASSILTOUN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

Best use of resources (continued)

Of the 2,288 repairs that qualify for Right First Time 2,082 – 91% were completed as Right First Time.

COVID-19 is still having an impact on void management performance with additional sanitising of the properties and labour reduced to sickness absence. The Association had increased the target from 0.39% to 0.54% for rent lost through voids. However, the actual rent lost was 0.9% which was 0.2% higher than in 2020/21. However, consideration has to be taken of the increase in void numbers due to the newbuild properties at Castlemilk Drive coming off site, which resulted in existing tenants moving to these new units. We had a total of 113 lets in 2021/22. Measures have been put in place to ensure improved performance for 2022/23.

The Association's arrears management faced a number of challenges due to the continued impact of COVID-19. However, performance improved this year and was better than the target set. We believe that our planned approach to the risks surrounding rental income and arrears levels is being controlled and managed effectively:

Budget target was 4.62%
Performance was 3.69%

This is an improvement of 0.91% on 2020/21.

The Association continues to prioritise the emerging risks associated with the current COVID-19 crisis, Welfare Reform and in particular Universal Credit. We have maintained current staffing resources within the Operations Team (including the Advice Team) to assist tenants and to cope with the associated additional workload. The Team are now back in the office but continue to utilise remote working for focus time which has proved effective. This year the team have achieved £567K of income for the service users and managed £53K of debt with £30K of debt still being managed in the new financial year. We believe our approach has helped to sustain tenancies, maintain performance, and mitigate these risks. The benefit of this to the Association is directly translated into lower arrears and more staff time to devote to service delivery.

Following on from previous years we believe that sustained performance has been achieved against a difficult backdrop of a global pandemic, business growth and a demanding policy context. The Board and staff focus on achieving better value for money and greater efficiencies whilst continuing to provide the high quality and comprehensive range of services that our tenants have come to expect. This is supported by continuous monitoring to ensure that our key targets are met and also to allow us to take corrective action should the Association encounter unplanned trends or changes that may adversely affect it.

Like every other housing association and local authority with housing stock, the Association has ensured that its properties meet the "Scottish Housing Quality Standard." This was independently verified and is excellent news for our tenants and for our long-term financial forecasting. A further Stock Condition Survey was completed in November 2021 and has confirmed our continued compliance and has informed our investment programme and 30 business plan.

The Association had an independent cloning exercise of our properties carried out to ensure and verify that the Energy Efficiency Targets set by the Scottish Government for 2022 had been achieved. The Association continue to work to a plan to ensure that compliance continues. Work is ongoing to ensure that the first ESSH2 milestone is met.

CASSILTOUN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

Community Regeneration Activities

External funding across the Group has enabled the Association to continue to develop its successful community regeneration programme. The highly successful programme could not be achieved without the support from our external funders, the collaborative work with partners and our committed volunteers. This year the Association also supported the work of the Castlemilk Pantry to assist with tackling food poverty

We progressed with our woodland programme and worked with our volunteers, the Friends of Castlemilk Park Groups and other partners and continued to make improvements such as installing signs, noticeboards and a bench, maintaining key features and improving the biodiversity as well as general maintenance tasks.

Tenant Feedback

Feedback from tenants remains positive with regular high levels of overall satisfaction being identified from satisfaction surveys, regular consultations and from our community advisory panel who undertook an investigation and suggested recommendations for 'estate maintenance' in 2021.

Business Continuity Plan

This is reviewed annually to ensure that it is up to date and takes note of any new/emerging threats.

Performance Review

The Board reviews performance on an ongoing basis at both full Board meetings and through its subcommittees. A traffic light monitoring system is used to quickly identify any sign that a set objective may not be achieved.

Policies and Procedures

The Board approves policy and procedures on a rolling basis unless changes in guidance or legislation enforce earlier reviews. The Association has over 110 policies and procedures that provide the necessary guidance on how it runs and manages its business in accordance with these procedures and rules.

Credit Payment Policy

The Association's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines with an average payment of between 21 days.

Rental Income

The Association's Rent Policy is a points system based on the size, type, and facilities of the provided accommodation. For new developments the rent is set based on property size and in line with the Scottish Government's benchmark amounts. The policy ensures that the rent structure is easy to administer and covers the wide variations within the Association's properties.

Budgetary Process

Each year the Board approves the budget and rolling five-year financial plan. Business performance is monitored and relevant action taken throughout the year. Variations from the budget are explained and forecasts updated together with information on key risk areas. Approval procedures are in place in respect of major areas of risk such as significant contract tenders, expenditure, and treasury management.

CASSILTOUN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

Treasury Management

The Association has an active treasury management function, which operates in accordance with the Treasury Management Policy. In this way the Association manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due. The Association, as a matter of policy, does not enter into transactions of a speculative nature.

Quality and Integrity of Personnel

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through the Chief Executive.

Board of Management

The Board of Management of Cassiltoun Housing Association Limited during the year ended 31 March 2022 and up to the date of signing the financial statements was as follows:

George Kelly	Chair	Debbie MacKenzie (resigned 28/4/2022)
Evelyn Ferguson	Secretary	Richard Sullivan Treasurer
Julie McNeil		Kim McKee
Teresa McGowan		Chris O'Brien
Anne M Stuart, MBE	Vice-chairperson	Barbara Dulisk
William Craig		
Sub-committee	5	Staffing
Membership	7	Development & Regeneration
	5	Group Audit and Risk

Both subsidiaries are managed by their individual Board and have at least one member from the Association. They choose Board members who have specific expertise in a similar field and meet at least 4 times a year.

Each member of the Board of Management holds one fully paid share of £1 in Cassiltoun Housing Association Limited. The executive officers of Cassiltoun Housing Association Limited hold no interest in its share capital and although not having the legal status of a "director" they act as executives within the authority delegated by the Board.

During the year Board members continued their internal and external training sessions as identified during formal appraisal and needs assessment. The outcome was to identify individual strengths and weaknesses and to create training plans that will improve their effectiveness as Board members. In addition 1-to-1 interviews between the Chief Executive and Association office bearers are carried out.

CASSILTOUN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

Disclosure of Information to the Auditor

To the knowledge and belief of each of the persons who are members of the Board of Management at the time the report is approved:

- So far as the Board of Management members are aware, there is no relevant information of which the Group's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Board of Management member in order to make himself/herself aware of any relevant audit information, and to establish that the Group's auditor is aware of the information.

Auditor

Azets Audit Services have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the Annual General Meeting.

By order of the Board of Management



Evelyn Ferguson
Secretary

Date: 23 June 2022

CASSILTOUN HOUSING ASSOCIATION LIMITED

STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

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

- select suitable accounting policies and then apply them consistently.
- make judgments and estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association and Group will continue in business.

The Board of Management is responsible for proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and of the Group. The Board of Management 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 2021 issued by the Scottish Housing Regulator. It is also responsible for safeguarding the assets of the Association and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CASSILTOUN HOUSING ASSOCIATION LIMITED
STATEMENT ON INTERNAL FINANCIAL CONTROL
FOR THE YEAR ENDED 31 MARCH 2022

The Board of Management acknowledges its ultimate responsibility for ensuring that the Association and the Group 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: -

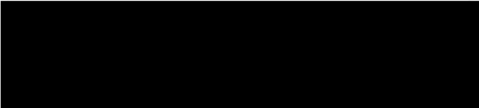
- the reliability of financial information used within the Association and the Group, or for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposition.

It is the Board of Management's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Association's and the Group'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 the Association's and the Group'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 Board of Management to monitor the key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term.
- regular 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.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Management.
- the Board of Management receive reports from 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 and the Group is undertaken; and
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Board of Management have reviewed the system of internal financial control in existence in the Association and the Group for the year ended 31 March 2022 and until the date these financial statements have been signed. 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.

By order of the Board of Management



Evelyn Ferguson
Secretary

Date: 23 June 2022

CASSILTOUN HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASSILTOUN HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Cassiltoun Housing Association Limited (the "Parent Association") and its subsidiaries (the "Group") for the year ended 31 March 2022 which comprise the Group and Association Statements of Comprehensive Income, the Group and Association Statements of Changes in Capital and Reserves, the Group and Association Statements of Financial Position, the Group 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 Group's and the Parent Association's affairs as at 31 March 2022 and of the Group's and Parent Association's 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 requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefits Societies (Group Accounts) Regulations 1969, 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 Group and Parent 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 opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Management'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 the events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent 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 of Management with respect to going concern are described in the relevant sections of this report.

CASSILTOUN HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASSILTOUN HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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 of Management 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.

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 in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained by the Parent Association; or
- the Parent Association has not kept proper accounting records; or
- the Parent Association's 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 of Management

As explained more fully in the Statement of the Board of Management's Responsibilities set out on page 10, the Board of Management 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 of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management is responsible for assessing the Group's and the Parent 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 of Management either intend to liquidate the Group or the Parent Association or to cease operations, or have no realistic alternative but to do so.

CASSILTOUN HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASSILTOUN HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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.

A further description of our responsibilities is available 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.

We obtain and update our understanding of the Group and the Parent Association, their activities, their control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Group and the Parent Association are 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 Group and the Parent Association 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 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 Group and the Parent Association through discussions with the Board of Management 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 Group and the Parent Association, including the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefits Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator and taxation, 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 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.

CASSILTOUN HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASSILTOUN HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Auditor's responsibilities for the audit of the financial statements (continued)

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 of Management and relevant sub-committees.
- enquiring of the senior management team and the Board of Management 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 Group's and Parent Association's legal advisors.

We assessed the susceptibility of the Group's and the Parent 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 of Management 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 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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.

CASSILTOUN HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASSILTOUN HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Association and the Parent Association's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 27 June 2022

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

CASSILTOUN HOUSING ASSOCIATION LIMITED

**REPORT BY THE AUDITOR TO THE MEMBERS OF CASSILTOUN HOUSING ASSOCIATION LIMITED
ON INTERNAL FINANCIAL CONTROL**

FOR THE YEAR ENDED 31 MARCH 2022

In addition to our audit of the Financial Statements, we have reviewed your statement on page 11 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial control 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 any non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 11 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 control 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 of Management 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 control contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial control.



Azets Audit Services, Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Titanium 1

King's Inch Place

Renfrew

PA4 8WF

Date: 27 JUNE 2022

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

	Notes	2022 £	2021 £
Turnover	4	6,367,315	5,882,571
Operating expenditure	4	(5,681,219)	(4,822,966)
Operating surplus	4, 8	686,096	1,059,605
Interest receivable		1,432	674
Interest and financing costs	9	(288,037)	(222,376)
Surplus before tax		399,491	837,903
Taxation	10	-	-
Surplus for the year		399,491	837,903
Other comprehensive income			
Actuarial gain / (loss) on the SHAPS Pension Fund	21	508,000	(620,000)
Actuarial gain / (loss) on the Strathclyde Pension Fund liability	22	321,000	(225,000)
Total comprehensive income for the year		1,228,491	(7,097)

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements.

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

	Notes	2022 £	2021 £
Turnover	4	5,678,301	5,397,920
Operating expenditure	4	(5,115,649)	(4,382,781)
Operating surplus	4, 8	562,652	1,015,139
Interest receivable		591	2,519
Interest and financing costs	9	(288,037)	(224,221)
Surplus before tax		275,206	793,437
Taxation	10	-	-
Surplus for the year		275,206	793,437
Other comprehensive income			
Actuarial gain / (loss) on the SHAPS Pension Fund	21	508,000	(620,000)
Actuarial gain / (loss) on the Strathclyde Pension Fund liability	22	321,000	(225,000)
Total comprehensive income for the year		1,104,206	(51,563)

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements.

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

	Share capital	Restricted reserve	Revenue reserve	Total reserves
	£	£	£	£
Balance at 1 April 2021	212	14,152	8,872,026	8,886,390
Total comprehensive income for the year	-	12,125	1,216,366	1,228,491
Shares issued during the year	2	-	-	2
Shares cancelled during the year	(25)	-	-	(25)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2022	189	26,277	10,088,392	10,114,858

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

	<i>Share capital</i>	<i>Restricted reserve</i>	<i>Revenue reserve</i>	<i>Total reserves</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Balance at 1 April 2020	<i>233</i>	<i>10,741</i>	<i>8,882,534</i>	<i>8,893,508</i>
Total comprehensive income for the year	-	<i>3,411</i>	<i>(10,508)</i>	<i>(7,097)</i>
Shares issued during the year	<i>9</i>	-	-	<i>9</i>
Shares cancelled during the year	<i>(30)</i>	-	-	<i>(30)</i>
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2021	<i>212</i>	<i>14,152</i>	<i>8,872,026</i>	<i>8,886,390</i>

The notes form part of these financial statements

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

	Share capital £	Revenue reserve £	Total reserves £
Balance at 1 April 2021	212	8,298,662	8,298,874
Total comprehensive income for the year	-	1,104,206	1,104,206
Shares issued during the year	2	-	2
Shares cancelled during the year	(25)	-	(25)
Balance at 31 March 2022	<u>189</u>	<u>9,402,868</u>	<u>9,403,057</u>

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

	<i>Share capital £</i>	<i>Revenue reserve £</i>	<i>Total reserves £</i>
Balance at 1 April 2020	233	8,350,225	8,350,458
Total comprehensive income for the year	-	(51,563)	(51,563)
Shares issued during the year	9	-	9
Shares cancelled during the year	(30)	-	(30)
Balance at 31 March 2021	<u>212</u>	<u>8,298,662</u>	<u>8,298,874</u>

The notes form part of these financial statements

CASSILTOUN HOUSING ASSOCIATION LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	£	2022 £	£	2021 £
Tangible fixed assets					
Housing properties	11a	43,821,360		39,403,561	
Other fixed assets	11b	463,950		467,990	
			44,285,310		39,871,551
Current assets					
Debtors: Amounts falling due within one year	14	162,709		192,942	
Current asset investments	15a	4,650,000		4,430,000	
Cash and cash equivalents	15b	521,328		383,323	
		5,334,037		5,006,265	
Creditors: Amounts falling due within one year	16	(2,446,225)		(2,131,761)	
Net current assets			2,887,812		2,874,504
Total assets less current liabilities			47,173,122		42,746,055
Creditors: Amounts falling due after more than one year	17	(37,109,264)		(33,014,665)	
Pension – SHAPS defined benefit asset/ (liability)	21		148,000		(458,000)
Pension – Strathclyde Pension Fund defined benefit liability	22		(97,000)		(387,000)
Net assets			10,114,858		8,886,390
Capital and reserves					
Share capital	19		189		212
Revenue reserve	19		10,088,392		8,872,026
Restricted reserve	19		26,277		14,152
			10,114,858		8,886,390

The financial statements were authorised for issue by the Board of Management on 23 June 2022 and signed on its behalf by



George Kelly
Chair



Richard Sullivan
Treasurer



Evelyn Ferguson
Secretary

The notes form part of these financial statements.

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

	Notes	£	2022 £	£	2021 £
Tangible fixed assets					
Housing properties	11a	43,821,360		39,403,561	
Other fixed assets	11b	44,021		47,702	
Investments	13	67,296		67,296	
			43,932,677		39,518,559
Current assets					
Amounts falling due within one year	14	158,615		188,668	
Current asset investments	15a	4,650,000		4,430,000	
Cash and cash equivalents	15b	100,269		84,386	
		4,908,884		4,703,054	
Creditors: Amounts falling due within one year	16	(2,380,240)		(2,063,074)	
			2,528,644		2,639,980
Total assets less current liabilities			46,461,321		42,158,539
Creditors: Amounts falling due after more than one year	17	(37,109,264)		(33,014,665)	
Pension – SHAPS defined benefit asset/ (liability)	21	148,000		(458,000)	
Pension – Strathclyde Pension Fund defined benefit liability	22	(97,000)		(387,000)	
			9,403,057		8,298,874
Net assets					
Capital and reserves					
Share capital	19		189		212
Revenue reserve	19		9,402,868		8,298,662
			9,403,057		8,298,874

The financial statements were authorised for issue by the Board of Management on 23 June 2022 and signed on its behalf by:



George Kelly
Chair



Richard Sullivan
Treasurer



Evelyn Ferguson
Secretary

The notes form part of these financial statements.

CASSILTOUN HOUSING ASSOCIATION LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Net cash generated from operating activities	20	1,215,967	(564,508)
Cash flow from investing activities			
Purchase of housing properties		(5,793,860)	(5,039,612)
Purchase of other fixed assets		(37,781)	(17,597)
Proceeds from sale of tangible fixed assets		5,594	-
Government capital grants received		2,540,569	3,508,232
Interest received		1,432	674
		<u>(3,284,046)</u>	<u>(1,548,303)</u>
Cash flow from financing activities			
Interest paid		(271,037)	(223,376)
Repayment of borrowings		(522,881)	(385,363)
Loans drawdown		3,000,000	2,000,000
Issue of share capital		2	9
		<u>2,206,084</u>	<u>1,391,270</u>
Net change in cash and cash equivalents in the year		138,005	(721,541)
Cash and cash equivalents at 1 April	15b	383,323	1,104,864
Cash and cash equivalents at 31 March	15b	521,328	383,323

(i) Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash and cash equivalents			
Cash and cash equivalents	383,323	138,005	521,328
Current asset investments	4,430,000	220,000	4,650,000
	<u>4,813,323</u>	<u>358,005</u>	<u>5,171,328</u>
Borrowings			
Debt due within one year	(444,614)	(101,973)	(546,587)
Debt due after one year	(7,570,262)	(2,375,146)	(9,945,408)
	<u>(8,014,876)</u>	<u>(2,477,119)</u>	<u>(10,491,995)</u>
Total	(3,201,553)	(2,119,114)	(5,320,667)

The notes form part of these financial statements.

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the Group's transactions are denominated. They comprise the financial statements of the Group, consisting of Cassiltoun Housing Association Limited and its two fully owned subsidiaries, Cassiltoun Trust and Cassiltoun Stables Nursery Limited drawn up for the year ended 31 March 2022.

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 registered social landlord in Scotland and its registered number is HCB 084.

The Association's Scottish Charity number is SC035544. The registered address is included on the first page of the financial statements.

2. 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 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 Group's accounting policies (see note 3).

A summary of the principal accounting policies is set out below.

(a) Basis of preparation

The financial statements are prepared on the historical cost basis of accounting subject to the revaluation of certain fixed assets and in accordance with applicable accounting standards.

The effect of events relating to the year ended 31 March 2022, which occurred before the date of approval of the financial statements by the Board of Management have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2022 and of the results for the year ended on that date.

(b) Going Concern

The Board of Management has a reasonable expectation that the Association and its subsidiaries have adequate resources, based on a review of long term forecasts to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the Financial Statements.

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

(c) Turnover

Cassiltoun Housing Association Limited

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from the Scottish Government, Glasgow City Council 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.

Cassiltoun Stables Nursery Limited

Incoming resources are recognised when the charitable company has legal entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Cassiltoun Trust

All voluntary income including grants and bank interest is accounted for when the charitable company has legal entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Rental income relates to let properties and is applied to the period in which it relates.

(d) Apportionment of management expenses

Direct employee, administration and operating expenditure have been apportioned to the relevant sections of the Statement of Comprehensive Income on the basis of costs of staff directly attributable to the operations dealt with in the financial statements.

The costs of cyclical and major repairs are charged to the Statement of Comprehensive Income in the year in which they are incurred.

(e) Interest receivable

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

(f) 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.

(g) Housing properties

Properties included in housing properties are stated at cost. 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 during the construction phase on the loans raised to finance the scheme.

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

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value are included in the financial statements for the year, provided that the dates of issue or valuations are prior to the year end. Development costs are capitalised to the extent that they are attributable to specific schemes and where such costs are not excessive. 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.

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2. Principal accounting policies (continued)

(h) Sales of housing properties

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the financial statements.

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

(i) Depreciation of housing properties

Housing Properties are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of each major component that makes up the housing property as follows:

Land	Not depreciated
Structure	Over 60 years
Roofs	Over 45 years
Electrical Wiring	Over 30 years
Windows	Over 25 years
Bathrooms	Over 20 years
Kitchens	Over 15 years
Heating (boilers and radiators)	Over 15 years

(j) Depreciation of other fixed assets

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

Furniture	20%	Vehicles	25%
Fixtures & Fittings	20%	IT Equipment	20%

(k) Capitalisation of major repairs expenditure

The Association capitalises major repairs expenditure where these works are a replacement or restoration of a separate identifiable component or where the works result in an enhancement of economic benefits of the tangible fixed assets. Such enhancement can occur if the improvements result in an increase in rental income, a reduction in future maintenance costs or a significant extension to the life of the component.

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

(l) Capitalisation of development overheads

Directly attributable development costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

(m) Impairment of fixed assets

Reviews for impairment of fixed assets are carried out on an annual basis and any impairment in an income-generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of an income-generating unit exceeds the higher of its net realisable value or its value in use or in the case of housing properties, its depreciated replacement cost. Value in use represents the net present value of expected future cash flows from these units.

(n) Debtors

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

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2. Principal accounting policies (continued)

(o) Rental arrears

Rental arrears represent amounts due by tenants for rental of social housing properties at the year end. Management regularly review rental arrears and write them down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in Note 15b.

(p) 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.

(q) 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.

(r) 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 group undertakings.

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 rental arrear 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.

(s) Government capital grants

Government Capital Grants, at amounts approved by The Scottish Government or Glasgow City Council, are paid directly to the Association as required to meet its liabilities during the development process. This is treated as a deferred capital grant and is released to income in accordance with the accrual model over the useful life of the asset it relates to on completion of the development phase. The accrual model requires the Association to recognise income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

(t) Government revenue grants

Government revenue grants are recognised using the accrual model which means the Association recognises the grant in income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

(u) 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 grants are received or receivable.

A grant that imposes specific future performance related conditions on the recipient 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.

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2. Principal accounting policies (continued)

(v) 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.

(w) Retirement benefits

The Scottish Housing Association Defined Benefits Pension Scheme

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.

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.

The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability.

The Strathclyde Pension Fund

The Strathclyde Pension fund 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.

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.

The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability.

The Scottish Housing Association Defined Contribution Scheme

This is a defined contribution scheme. Employer contributions are charged to the Statement of Comprehensive Income on an accrual's basis.

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

3. Judgements in applying policies and key sources of estimation 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 of Management 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 surplus' is representative of activities that would normally be regarded as 'operating'; and
- The identification of a cash-generating unit for impairment purposes.

The members of the Board of Management are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate

Useful lives of property, plant and equipment

The main components of housing properties and their useful lives

Recoverable amount of rental and other trade receivables

The obligations under the SHAPs pension scheme

The obligations under the Strathclyde Pension Fund

Basis of estimation

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

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.

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.

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

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

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

4. Particulars of turnover, operating expenditure and operating surplus

Group	Notes	2022 Turnover £	2022 Operating Expenditure £	2022 Operating Surplus/ (Deficit) £	2021 Turnover £	2021 Operating Expenditure £	2021 Operating Surplus/ (Deficit) £
Social Lettings	5a	5,253,999	(4,692,967)	561,032	4,953,114	(3,759,326)	1,193,788
Other Activities	5b	402,569	(364,974)	37,595	421,080	(567,967)	(146,887)
Cassiltoun Stables Nursery Limited		623,564	(455,560)	168,004	456,726	(361,453)	95,273
Cassiltoun Trust		87,183	(167,718)	(80,535)	51,651	(134,220)	(82,569)
		<u>6,367,315</u>	<u>(5,681,219)</u>	<u>686,096</u>	<u>5,882,571</u>	<u>(4,822,966)</u>	<u>1,059,605</u>
Association	Notes	2022 Turnover £	2022 Operating Expenditure £	2022 Operating Surplus/ (Deficit) £	2021 Turnover £	2021 Operating Expenditure £	2021 Operating Surplus/ (Deficit) £
Social Lettings	5a	5,253,999	(4,750,675)	503,324	4,953,114	(3,814,814)	1,138,300
Other activities	5b	424,302	(364,974)	59,328	444,806	(567,967)	(123,161)
		<u>5,678,301</u>	<u>(5,115,649)</u>	<u>562,652</u>	<u>5,397,920</u>	<u>(4,382,781)</u>	<u>1,015,139</u>

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

5a. Particulars of turnover, operating expenditure and operating surplus from social lettings

Group	General Needs Housing £	Shared Ownership £	2022 £	2021 £
Social Lettings				
Rent receivable net of identifiable service charges	4,688,090	7,297	4,695,387	4,438,577
Service charges receivable	14,213	1,565	15,778	15,529
Gross Income from Rents and Service Charges	4,702,303	8,862	4,711,165	4,454,106
Less: Rent losses from voids	(42,168)	-	(42,168)	(28,481)
Release of deferred Government capital grants	585,002	-	585,002	527,489
Total Turnover from Social Letting Activities	5,245,137	8,862	5,253,999	4,953,114
Operating Expenditure				
Management & maintenance administration costs	1,788,035	-	1,788,035	1,343,071
Service costs	82,773	-	82,773	62,151
Planned and cyclical maintenance including major repairs	745,094	-	745,094	386,763
Reactive maintenance	689,244	-	689,244	726,290
Bad debts – rent and service charges	11,760	-	11,760	35,473
Depreciation of social housing	1,372,801	3,260	1,376,061	1,205,578
Operating Expenditure for Social Letting Activities	4,689,707	3,260	4,692,967	3,759,326
Operating Surplus for Social Lettings 2022	555,430	5,602	561,032	
Operating Surplus for Social Lettings 2021	1,193,870	(82)		1,193,788

There is no other accommodation except for general needs and shared ownership housing.

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

Included in depreciation of social housing is £105,594 (2021 - £53,580) relating to the loss on disposal of components.

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

5a. Particulars of turnover, operating expenditure and operating surplus from social lettings

Association	General Needs Housing £	Shared Ownership £	2022 £	2021 £
Social Lettings				
Rent receivable net of identifiable service charges	4,688,090	7,297	4,695,387	4,438,577
Service charges receivable	14,213	1,565	15,778	15,529
Gross Income from Rents and Charges	4,702,303	8,862	4,711,165	4,454,106
Less: Rent losses from voids	(42,168)	-	(42,168)	(28,481)
Release of deferred Government capital grants	585,002	-	585,002	527,489
Total Turnover from Social Letting Activities	5,245,137	8,862	5,253,999	4,953,114
Operating Expenditure				
Management & maintenance administration costs	1,845,743	-	1,845,743	1,398,559
Service costs	82,773	-	82,773	62,151
Planned and cyclical maintenance including major repairs	745,094	-	745,094	386,763
Reactive maintenance	689,244	-	689,244	726,290
Bad debts – rent and service charges	11,760	-	11,760	35,473
Depreciation of social housing	1,372,801	3,260	1,376,061	1,205,578
Operating Expenditure for Social Letting Activities	4,747,415	3,260	4,750,675	3,814,814
Operating Surplus for Social Lettings 2022	497,722	5,602	503,324	
Operating Surplus for Social Lettings 2021	1,138,382	(82)		1,138,300

There is no other accommodation except for general needs and shared ownership housing.

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

Included in depreciation of social housing is £105,594 (2021 - £53,580) relating to the loss on disposal of components.

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

5b – Particulars of turnover, operating expenditure and operating surplus or deficit from other activities

Group	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other Income £	Total Turnover £	Operating expenditure – bad debts £	Other operating expenditure £	Operating surplus/ (deficit) 2022 £	Operating surplus/ (deficit) 2021 £
Wider role activities	21,350	301,814	-	-	323,164	-	(314,918)	8,246	(14,940)
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	64,313	64,313	-	(38,963)	25,350	5,897
Development and construction of property activities	1,437	-	-	-	1,437	-	(11,093)	(9,656)	(60,538)
Support activities	-	-	-	25	25	-	-	25	32
Care activities	-	-	-	-	-	-	-	-	4,540
Agency/management services for other RSLs	-	-	-	-	-	-	-	-	-
Agency/management services	-	-	-	13,630	13,630	-	-	13,630	(81,878)
Total from other activities 2022	22,787	301,814	-	77,968	402,569	-	(364,974)	37,595	
Total from other activities 2021	46,950	307,211	-	66,919	421,080	4,560	563,407		(146,887)

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

5b – Particulars of turnover, operating expenditure and operating surplus or deficit from other activities

Association	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other Income £	Total Turnover £	Operating expenditure – bad debts £	Other operating expenditure £	Operating surplus / (deficit) 2022 £	Operating surplus / (deficit) 2021 £
Wider role activities	21,350	301,814	-	-	323,164	-	(314,918)	8,246	(14,940)
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	64,313	64,313	-	(38,963)	25,350	5,897
Development and construction of property activities	1,437	-	-	-	1,437	-	(11,093)	(9,656)	(60,538)
Support activities	-	-	-	25	25	-	-	25	32
Care activities	-	-	-	-	-	-	-	-	4,540
Agency/management services for other RSLs	-	-	-	-	-	-	-	-	-
Agency/management services	-	-	-	35,363	35,363	-	-	35,363	(58,152)
Total from other activities 2022	22,787	301,814	-	99,701	424,302	-	(364,974)	59,328	
Total from other activities 2021	46,950	307,211	-	90,645	444,806	4,560	563,407		(123,161)

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

6. Directors' emoluments – Group and Association

The Directors are defined as the members of the Board of Management, the Chief Executive and any other person reporting directly to the Chief Executive or the Board of Management. No emoluments were paid to any member of the Board of Management during the year.

The Association considers key management personnel to be the Board of Management and the Executive Management Team, consisting of the Chief Executive, the former Director of Finance and Director of Operations.

	2022	2021
	£	£
Emoluments of Chief Executive (excluding pension contributions)	<u>81,159</u>	<u>77,629</u>

The Chief Executive is an ordinary member of the Association's SHAPs pension scheme described in Note 21. No enhanced or special terms apply to membership, and he has no other pension arrangements to which the Association contributes. The Association's contributions for the Chief Executive in the year amounted to £16,331 (2021 - £15,881).

	2022	2021
	£	£
Emoluments of key management personnel (excluding pension contributions)	<u>301,665</u>	<u>223,259</u>
Aggregate pensions payable to key management personnel (excluding past service deficit contributions)	<u>51,544</u>	<u>48,586</u>
Employers NI paid in respect of key management personnel	<u>33,790</u>	<u>27,027</u>

	2022	2021
	£	£
Total expenses reimbursed insofar as not chargeable to UK income tax	<u>-</u>	<u>-</u>

<i>Total Emoluments</i>	2022	2021
	Number	Number
£70,001 - £80,000	1	3
£80,001- £90,000	1	-
£140,001 - £150,000	1	-

No (2021 - no) other staff had emoluments (excluding pension contributions) that exceeded £60,000.

7. Employee information

Group

	2022	2021
	Number	Number
The average number of full-time equivalent employees during the year was:		
Administration and maintenance (Association)	27.4	27.5
Nursery staff	<u>20.4</u>	<u>18.5</u>
	<u>47.8</u>	<u>46.0</u>

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

7. Employee information (continued)

Group	2022 £	2021 £
Staff costs were:		
Wages and Salaries	1,416,602	1,280,273
Social Security Costs	125,868	111,578
Pension Costs	171,382	146,755
Defined benefit pension - staff service cost – Strathclyde Scheme	23,000	12,000
Defined benefit pension - staff service cost – SHAPS	46,440	5,665
Agency staff costs	63,258	-
	<u>1,846,550</u>	<u>1,556,271</u>

Association	2022 Number	2021 Number
The average number of full-time equivalent employees during the year was:		
Administration and maintenance	27.4	27.5

	2022 £	2021 £
Staff costs were:		
Wages and Salaries	1,080,053	1,000,060
Social Security Costs	106,380	96,841
Pension Contributions	160,857	138,855
Defined benefit pension - staff service cost – Strathclyde Scheme	23,000	12,000
Defined benefit pension - staff service cost – SHAPS	46,440	5,665
Agency staff costs	61,511	-
	<u>1,478,241</u>	<u>1,253,421</u>

8. Operating surplus

Group	2022 £	2021 £
Operating surplus is stated after charging: -		
Depreciation - Tangible Owned Fixed Assets	1,297,750	1,189,002
Depreciation – Loss on disposal of components	105,594	53,580
Auditor's Remuneration - Audit Services (exc VAT)	21,150	19,935
- Other Services (exc VAT)	4,300	1,592
	<u>1,428,794</u>	<u>1,364,109</u>

Association	2022 £	2021 £
Operating surplus is stated after charging: -		
Depreciation – Tangible Owned Fixed Assets	1,283,834	1,175,696
Depreciation – Loss on disposal of components	105,594	53,580
Auditor's Remuneration - Audit Services (exc VAT)	13,450	12,235
- Other Services (exc VAT)	3,000	1,592
	<u>1,405,878</u>	<u>1,333,103</u>

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

9. Interest payable

Group	2022	2021
	£	£
On bank loans and overdrafts	271,037	223,376
SHAPS defined benefit pension scheme – interest expense (Note 21)	9,000	(5,000)
Strathclyde Pension Fund defined benefit pension scheme – interest expense (Note 22)	8,000	4,000
	<u>288,037</u>	<u>222,376</u>
Association	2022	2021
	£	£
On bank loans and overdrafts	271,037	225,221
SHAPS defined benefit pension scheme – interest expense (Note 21)	9,000	(5,000)
Strathclyde Pension Fund defined benefit pension scheme – interest expense (Note 22)	8,000	4,000
	<u>288,037</u>	<u>224,221</u>

10. Taxation

The Association was granted charitable status with effect from 18 May 2004 and no tax now arises on its charitable activities. No corporation tax is due on the Association's other activities due to the loss incurred (2021 - £nil). Both subsidiaries are charities and thus no tax is due in respect of their activities (2021 - £nil).

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

11. Tangible fixed assets

(a) Housing Properties Group and Association	Housing Properties Held for Letting £	Housing Properties Under Construction £	Completed Shared Ownership Properties £	Total £
Cost				
At 1 April 2021	52,338,502	4,642,097	159,602	57,140,201
Additions during year				
Property	-	5,223,097	-	5,223,097
Components	570,763	-	-	570,763
Transfers	6,375,436	(6,375,436)	-	-
Disposals during year				
Property	-	-	-	-
Components	(331,074)	-	-	(331,074)
At 31 March 2022	<u>58,953,627</u>	<u>3,489,758</u>	<u>159,602</u>	<u>62,602,987</u>
Depreciation				
At 1 April 2021	17,687,438	-	49,202	17,736,640
Charge for year	1,267,207	-	3,260	1,270,467
On disposals during year				
Property	-	-	-	-
Components	(225,480)	-	-	(225,480)
At 31 March 2022	<u>18,729,165</u>	<u>-</u>	<u>52,462</u>	<u>18,781,627</u>
Net Book Value				
As at 31 March 2022	<u>40,224,462</u>	<u>3,489,758</u>	<u>107,140</u>	<u>43,821,360</u>
As at 31 March 2021	<u>34,651,064</u>	<u>4,642,097</u>	<u>110,400</u>	<u>39,403,561</u>

Additions to housing properties during the year includes no capitalised interest (2021 - £nil) and no capitalised administration costs (2021 - £nil). All housing properties are freehold.

The Association would not be able to sell its properties without the repayment of Government Capital Grants

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

11. Tangible fixed assets

(b) Other Fixed Assets

Group	Freehold Property £	I.T. Equipment £	Furniture £	Fixtures & Fittings £	Vehicles £	Garden Pods £	Total £
Cost							
At 1 April 2021	473,132	175,774	32,001	136,245	37,935	3,132	858,219
Additions	-	17,960	19,821	-	-	-	37,781
Disposals	(3,132)	(8,274)	(3,509)	-	(19,995)	(3,132)	(38,042)
At 31 March 2022	<u>470,000</u>	<u>185,460</u>	<u>48,313</u>	<u>136,245</u>	<u>17,940</u>	<u>-</u>	<u>857,958</u>
Depreciation							
At 1 April 2021	65,800	128,712	26,827	134,308	34,582	-	390,229
Charge for year	9,400	12,761	3,287	492	1,353	-	27,283
Removed on disposal	-	-	(3,509)	-	(19,995)	-	(23,504)
At 31 March 2022	<u>75,200</u>	<u>141,463</u>	<u>26,605</u>	<u>134,800</u>	<u>15,940</u>	<u>-</u>	<u>394,008</u>
Net Book Values							
At 31 March 2022	<u>394,800</u>	<u>43,997</u>	<u>21,708</u>	<u>1,445</u>	<u>2,000</u>	<u>-</u>	<u>463,950</u>
At 31 March 2021	<u>407,332</u>	<u>47,062</u>	<u>5,174</u>	<u>1,937</u>	<u>3,353</u>	<u>3,132</u>	<u>467,990</u>

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

11. Tangible fixed assets (continued)

(b) Other Fixed Assets

Association	I.T. Equipment £	Furniture £	Fixtures & Fittings £	Vehicles £	Total £
Cost					
At 1 April 2021	168,280	15,820	127,049	37,935	349,084
Additions	17,960	-	-	-	17,960
Disposals	(8,274)	(3,509)	-	(19,995)	(31,778)
At 31 March 2022	<u>177,966</u>	<u>12,311</u>	<u>127,049</u>	<u>17,940</u>	<u>335,266</u>
Depreciation					
At 1 April 2021	124,046	15,820	126,934	34,582	301,382
Charge for year	11,899	-	115	1,353	13,367
Disposals	-	(3,509)	-	(19,995)	(23,504)
At 31 March 2022	<u>135,945</u>	<u>12,311</u>	<u>127,049</u>	<u>15,940</u>	<u>291,245</u>
Net Book Value					
At 31 March 2022	<u>42,021</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>44,021</u>
At 31 March 2021	<u>44,234</u>	<u>-</u>	<u>115</u>	<u>3,353</u>	<u>47,702</u>

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

12. Housing stock

Group and Association	2022	2021
Number of units of accommodation in management at the year end:	Number	<i>Number</i>
General Needs - New Build & Buchanan Lodge	328	286
- Rehabilitation	771	771
Shared Ownership	3	3
	<u>1,102</u>	<u>1,060</u>

13. Investments

Association	2022	2021
	£	£
At 1 April	67,296	67,296
Impairment	-	-
At 31 March	<u>67,296</u>	<u>67,296</u>

This represents the Association's investment in Cassiltoun Trust.

14. Debtors - Amounts receivable within one year

Group	2022	2021
	£	£
Arrears of rent and service charges	168,423	187,443
Trade debtors	5,440	4,200
Less: bad debt provision	(51,073)	(56,756)
	122,790	134,887
Prepayments and accrued income	31,864	38,103
Other debtors	8,055	19,952
	<u>162,709</u>	<u>192,942</u>

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

14. Debtors - Amounts receivable within one year (continued)

Association	2022	2021
	£	£
Arrears of rent and service charges	168,423	187,443
Less: bad debt provision	(49,628)	(55,059)
	118,795	132,384
Prepayments and accrued income	31,765	36,332
Other debtors	8,055	19,952
	158,615	188,668

15a. Current asset investments – Group and Association

	2022	2021
	£	£
Deposits	4,650,000	4,430,000

15b. Cash and cash equivalents

Group	2022	2021
	£	£
Balances with banks	521,328	383,323
	521,328	383,323

Association

	2022	2021
	£	£
Balances with banks	100,269	84,386
	100,269	84,386

16. Creditors - Amounts falling due within one year

Group	2022	2021
	£	£
Bank loans (note 17)	546,587	444,614
Trade creditors	480,198	193,333
Other taxation and social security	43,149	26,053
Accruals and deferred income	150,548	301,542
Rent in advance	244,847	207,145
Deferred capital grant (note 18)	608,218	561,912
Retentions	174,593	199,887
Other creditors	198,085	197,275
	2,446,225	2,131,761

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

16. Creditors - Amounts falling due within one year (continued)

Association	2022	2021
	£	£
Bank loans (note 17)	546,587	444,614
Trade creditors	466,797	187,618
Other taxation and social security	40,666	24,747
Accruals and deferred income	100,447	239,876
Rent in advance	244,847	207,145
Deferred capital grant (note 18)	608,218	561,912
Retention creditor	174,593	199,887
Other creditors	198,085	197,275
	<u>2,380,240</u>	<u>2,063,074</u>

Pension contributions of £nil were outstanding at the year-end (2021 - £nil).

17. Creditors - Amounts falling due after more than one year

Group and Association	2022	2021
	£	£
Bank loans	9,945,408	7,570,262
Deferred capital grants (note 18)	27,163,856	25,444,403
	<u>37,109,264</u>	<u>33,014,665</u>

Bank loans are secured by specific charges on the Housing Association's housing properties and are repayable at rates of interest of 0.7% to 5.8% (2021 - 0.5% to 5.8%) in instalments, due as follows:-

The net book value of housing properties secured at the year-end was £24,187,382 (2021 - £20,214,444). These are over Barclays, Nationwide and CAF banks.

	2022	2021
	£	£
Within one year	546,587	444,614
Between one and two years	549,810	454,503
Between two and five years	1,573,483	1,390,819
In five years or more	7,822,115	5,724,940
	<u>10,491,995</u>	<u>8,014,876</u>
Less: Amount shown in current liabilities	<u>(546,587)</u>	<u>(444,614)</u>
	<u>9,945,408</u>	<u>7,570,262</u>

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

18. Deferred capital grants – Group and Association

	2022	2021
	£	£
Deferred capital grants at 1 April	26,006,315	23,025,571
Grants received in year	2,350,761	3,508,232
Released to income in the year	(585,002)	(527,488)
Released to income in year on disposal	-	-
Deferred capital grants at 31 March	<u>27,772,074</u>	<u>26,006,315</u>
Liability split as:		
< 1 year	608,218	561,912
1 – 2 years	608,218	561,912
2 – 5 years	1,824,653	1,685,736
> 5 years	24,730,985	23,196,755
	<u>27,772,074</u>	<u>26,006,315</u>

19. Share Capital

	2022	2021
	£	£
Shares of £1 each fully paid and issued as at 1 April	212	233
Shares issued in year	2	9
Shares cancelled in year	(25)	(30)
As at 31 March 2022	<u>189</u>	<u>212</u>

Reserves

Revenue Reserve

The revenue reserve includes all current and prior year retained surpluses or deficits and transfers to/from the restricted reserve.

Restricted Reserve

Funds received from 3rd party funders which are for specific activities and are therefore restricted.

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

20. Net Cash Flow from Operating Activities – Group

	2022 £	2021 £
Surplus for the year	399,491	837,903
<u>Adjustments for non-cash items:</u>		
Carrying amount of tangible fixed asset disposals	14,538	-
Depreciation of tangible fixed assets (including loss on disposal of components)	1,403,344	1,242,582
SHAPS defined benefit pension liability	55,340	7,000
Strathclyde Pension Scheme pension liability	31,000	9,665
(Increase) / decrease in debtors	30,333	(36,178)
(Increase) / decrease in current asset investments	(220,000)	(2,429,345)
(Increase) / (decrease) in creditors	(23,623)	271,347
Shares cancelled in the year	(25)	(30)
<u>Adjustments for investing and financing activities:</u>		
Proceeds from sale of tangible fixed assets	(5,594)	-
Interest payable	271,037	223,376
Interest received	(1,432)	(674)
Release of deferred Government capital grant	(585,002)	(527,489)
SHAPS past service deficit payment	(153,440)	(162,665)
Net cash generated / (used) from operating activities	1,215,967	(564,508)

21. Scottish Housing Association Pension Scheme

General

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A Recovery Plan has been put in place to eliminate the deficit which will run to either September 2022 or March 2023 (depending on the funding levels) for the majority of employers, although certain employers have different arrangements.

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

The Association accounts for the Scheme as a defined benefit scheme.

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

The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive.

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

21. Scottish Housing Association Pension Scheme (continued)

General (continued)

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

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.

Cassiltoun Housing Association Limited has elected to continue to offer the final salary with a 1/60th accrual rate benefit structure for existing members as at 1 April 2017 and also offer a Defined Contribution scheme to new employees. During the accounting period the Housing Association effectively paid contributions at the rate of 20.5% (excluding the past service deficit) of pensionable salaries in respect of the defined benefit structure. Member contributions were 12.3%. There was an additional annual employer past service deficit contribution of £153,440 made in the year ended 31 March 2022 (2021 - £162,665). The contributions under the Defined Contribution Scheme were 6% from the employer and 4% for the employee.

As at the balance sheet date there were 7 active members of the Defined Benefit Scheme and 18 active members of the Defined Contributions Scheme employed by the Association.

In May 2021 the Scheme Trustee (TPT Retirement Solutions) notified employers of a review of historic scheme benefit changes, and this review has raised legal questions regarding whether and when some historic benefit changes should take effect, the outcome of which could give rise to an increase in liabilities for some employers. The Scheme Trustee has determined that it is prudent to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before late 2024 at the earliest.

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

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

21. Scottish Housing Association Pension Scheme (continued)

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

	31 March 2022 £'000	31 March 2021 £'000
Fair value of plan assets	5,391	5,133
Present value of defined benefit obligations	(5,243)	(5,591)
Defined benefit asset /(liability) to be recognised	148	(458)

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Defined benefit obligation at start of period	(5,591)	(5,455)
Current service cost	(104)	(67)
Expenses	(5)	(5)
Interest cost	(123)	(114)
Contribution by plan participants	(37)	(40)
Actuarial losses due to scheme experience	(31)	(219)
Actuarial gains/ (losses) due to changes in demographic assumptions	(18)	-
Actuarial gains/ (losses) due to changes in financial assumptions	556	(780)
Benefits paid and expenses	110	1,089
Defined benefit liability at the end of the period	(5,243)	(5,591)

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

21. Scottish Housing Association Pension Scheme (continued)

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

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Fair value of plan assets at start of the period	5,133	5,455
Interest income	114	119
Experience on plan assets (excluding amounts included in interest income)	1	379
Contributions by the employer	216	229
Contributions by participants	37	40
Benefits paid and expenses	(110)	(1,089)
Fair value of plan assets at end of period	5,391	5,133

Defined benefit costs recognised in Statement of Comprehensive Income

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Current service cost	104	67
Contributions	37	40
Admin expenses	5	5
Net interest expense	9	(5)
Defined benefit costs recognised in Statement of Comprehensive Income	155	107

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 £'000
Experience on plan assets (excluding amounts included in net interest cost - gain)	1	379
Experience gains and losses arising on the plan liabilities – (loss)	(31)	(219)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain / (loss)	(18)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – (loss) / gain	556	(780)
Total amount recognised in other comprehensive income – gain / (loss)	508	(620)

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

21. Scottish Housing Association Pension Scheme (continued)

Fund allocation for employer's calculated share of assets

	31 March 2022 £'000	<i>31 March 2021 £'000</i>
Global Equity	1,066	794
Absolute Return	247	253
Distressed Opportunities	193	175
Credit Relative Value	173	148
Alternative Risk Premia	223	206
Emerging Markets Debt	201	207
Risk Sharing	176	184
Insurance-Linked Securities	113	107
Property	140	92
Infrastructure	336	287
Private Debt	136	121
Opportunistic Illiquid Credit	179	131
High Yield	52	135
Opportunistic Credit	19	140
Cash	15	2
Corporate Bond Fund	341	387
Liquid Credit	35	89
Long Lease Property	155	119
Secured Income	288	282
Over 15 Year Gilts	2	2
Liability Driven Investment	1,304	1,234
Currency Hedging	(20)	-
Net Current Assets	17	38
Total Assets	5,391	5,113

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

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

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

21. Scottish Housing Association Pension Scheme (continued)

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

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

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2017 model with an allowance for smoothing of recent mortality experience and long term rates of 1.25% p.a. for males and 1% p.a. for females.

Member data summary

Active members

	Number	Total earnings (£'000s p.a.)	Average age (unweighted)
Males	3	162	44
Females	3	169	53
Total	6	331	49

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	1	8	56
Females	1	3	54
Total	2	11	55

Pensioners

	Number	Pensions (£'000s p.a.)	Average age (unweighted)
Males	6	79	64
Females	4	37	72
Total	10	116	67

Employers' 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 buy-out 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.

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

21. Scottish Housing Association Pension Scheme (continued)

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 £4,347,066. The growth plan has an estimated employer debt of £20,796 as at 30 September 2020.

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.

22. Strathclyde Pension Scheme

Cassiltoun Housing Association Limited participates in the Strathclyde Pension Fund which is a statutory multi-employer defined benefit scheme. It is administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998, as amended.

From 1 April 2015, the Scheme changed from a final salary 1/60th accrual scheme to a CARE 1/45th accrual scheme.

The main financial assumptions used by the Council's Actuary, Hymans Robertson, in their calculations are as follows:

Assumptions as at	31 March 2022	31 March 2021
Pension increases	3.15%	2.8%
Salary increases	3.85%	3.5%
Discount rate	2.75%	2.1%

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

22. Strathclyde Pension Scheme (continued)

The average future life expectancies at age 65 are summarised below:

Mortality	Males	Females
Current Pensioners	19.6	22.4
Future Pensioners	21.0	24.5

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Sensitivity Analysis	Approximate % increase to Employer Liability	Approximate Monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	53
1 year increase in member life expectancy	4%	92
0.1% increase in the Salary Increase Rate	0%	11
0.1% increase in the Pension Increase Rate	2%	41

The table below compares the present value of the scheme liabilities, based on the Actuary's assumptions, with the estimated employer assets.

	31 March 2022 £000	31 March 2021 £000
Net Pension Liability as at		
Estimated Employer Assets (A)	2,213	2,002
Present Value of Scheme Liabilities	(2,310)	(2,389)
Present Value of Unfunded Liabilities	-	-
Total Value of Liabilities (B)	(2,310)	(2,389)
Net Pension Liability (A) – (B)	(97)	(387)

Analysis of the amount charged to operating profit:

	Year to 31 March 2022 £'000	Year to 31 March 2021 £'000
Service cost	71	51
Contributions	(48)	(39)
Past service cost	-	-
Curtailement and settlements	-	-
Decrease in irrecoverable surplus	-	-
Total operating charge	23	12
Net Interest cost	8	4

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

22. Strathclyde Pension Scheme (continued)

	Year to 31 March 2022 £ 000	<i>Year to 31 March 2021 £ 000</i>
Analysis of the amount recognised in the Statement of Other Comprehensive Income:		
Actuarial gain / (loss) recognised as other comprehensive income	<u>321</u>	<u><i>(225)</i></u>

Movement in pension deficit during the year

	Year to 31 March 2022 £ 000	<i>Year to 31 March 2021 £ 000</i>
Deficit in scheme at beginning of year	(387)	<i>(146)</i>
Current service cost	(71)	<i>(51)</i>
Employer contributions	48	<i>39</i>
Other income	-	-
Other outgoings (e.g. expenses, etc.)	-	-
Past service costs	-	-
Impact of settlements and curtailments	-	-
Net interest cost	(8)	<i>(4)</i>
Actuarial gain / (loss)	<u>321</u>	<u><i>(225)</i></u>
Deficit at end of year	<u>(97)</u>	<u><i>(387)</i></u>

Employer contributions for the year ended 31 March 2023 are expected to be £48k.

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.

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

23. Related party transactions

Board members

The Association has members of the Board of Management who are also tenants. The total rent charged in the year relating to those Board of Management members was £23,712 (2021 - £30,704). The total rent arrears relating to tenant Board of Management members included within debtors at the year-end was £nil (2021 - £nil). The total prepaid rent relating to tenant Board of Management members included within creditors at the year-end was £1,671 (2021 - £2,570).

Cassiltoun Trust

The Housing Association has two subsidiaries: Cassiltoun Stables Nursery Limited and Cassiltoun Trust.

The Housing Association is the sole member of Cassiltoun Trust, a charitable company limited by guarantee. Three members of the Housing Association are Directors of the Trust.

During the year management fees totalling £8,558 + VAT (2021 - £8,310 + VAT) were charged from the Housing Association.

The Association entered into a ten-year agreement in 2021 to lease office space from Cassiltoun Trust. Under this lease rent of £57,708 (2021 - £55,488) is charged from Cassiltoun Trust.

The Trust received £60,288 (2021 - £57,972) from Cassiltoun Stables Nursery Limited for rental income during the year.

No amounts are due to/from Cassiltoun Trust (2021 - £nil).

In the year ended 31 March 2022 Cassiltoun Trust made a surplus of £28,903 (2021 - £20,799) and had net assets of £547,688 (2021 - £518,785).

Cassiltoun Stables Nursery Limited

Cassiltoun Stables Nursery Limited is a company limited by guarantee and was formed in July 2012. Its sole member is Cassiltoun Housing Association Limited. Three members of the Housing Association are Directors of the Nursery.

In October 2012 the Housing Association made available a loan of £100,000 to Cassiltoun Stables Nursery Limited at normal commercial rates. Interest of £nil (2021 - £1,845) was charged on the loan being at the rate of Bank of England base + 4%. The loan was repayable over 10 years once the Nursery traded profitably, so there is no set payment amounts or dates. No repayment (2021 - £60,000) was made in the year, as the loan was paid off in the prior year.

Management fees totalling £13,175 + VAT (2021 - £12,793 + VAT) were charged by the Housing Association to the Stables Nursery.

In the year ended 31 March 2022 Cassiltoun Stables Nursery Limited made a surplus of £94,541 (2021 - £24,508) and had net assets of £231,409 (2021 - £136,868).

CASSILTOUN HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

24. Contingent liabilities

Capital Government Grants allocated to components are amortised over the useful life of the structure and recognised in the Statement of Comprehensive Income. In the event the Association sells a housing unit it may be liable to pay back to the Scottish Government or Glasgow City Council any Capital Government Grant receivable in the construction of the housing units.

There is also a contingent liability in relation to the Scottish Housing Association Pension Scheme and this has been fully detailed in Note 21.

25. Revenue commitments

At 31 March future minimum lease payments under non-cancellable operating leases were as follows:

Association	Office space 2022 £	Office space 2021 £
Operating leases payable:		
Not later than one year	60,588	57,708
Later than one year and not later than five years	145,968	139,008
Greater than five years	218,952	243,264
	<u>425,508</u>	<u>439,980</u>

The office space revenue commitment is in respect of five rooms leased from Cassiltoun Trust.

26. Capital Commitments – Group and Association

	2022 £	2021 £
Contracted for but not provided in these accounts	1,079,926	5,713,000
This is to be funded by:		
HAG	-	1,860,000
Private Finance	-	3,000,000
Reserves	1,079,926	853,000
	<u>1,079,926</u>	<u>5,713,000</u>
Approved by the Board of Management but not contracted for	<u>-</u>	<u>350,000</u>

