



Alexander Sloan
Accountants and Business Advisers

Clydebank Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2018

Registered Housing Association No. HAL86

FCA Reference No. 2191R(S)

Scottish Charity No. SCO33962

CLYDEBANK HOUSING ASSOCIATION LIMITED

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CLYDEBANK HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS YEAR ENDED 31 MARCH 2018

MANAGEMENT COMMITTEE

Thomas McCormack	Chairperson
Kimberley Tennant	Vice Chairperson
Paul Shiach	Secretary
Chris Morgan	Treasurer
John Hillhouse	
Patricia Betty	
Catherine McGarrity	
Nikki Robertson	
Cllr John Mooney	Co-opted Member
Cllr Marie McNair	Co-opted Member
Neil Crilley	Resigned January 2018
Patrick McGinley	Deceased August 2017
John Calderwood	Casual vacancy September 2017
Joe O'Donnell	Co-opted June 2017, casual vacancy from January 2018
Doris Smith	Co-opted Member March 2018
Grace Daly	Co-opted Member March 2018

EXECUTIVE OFFICERS

Sharon Keenan	Chief Executive Officer
Alison Macfarlane	Maintenance Manager
Joe Farrell	Housing Manager
Lynette Lees	Finance Manager

REGISTERED OFFICE

77-83 Kilbowie Road
Clydebank
G81 1BL

EXTERNAL AUDITORS

Alexander Sloan
Accountants and Business Advisers
180 St Vincent Street
Glasgow
G2 5SG

INTERNAL AUDITORS

Wylie & Bisset LLP
168 Bath Street
Glasgow
G2 4TP

BANKERS

Bank of Scotland
Sylvania Way South
Clyde Shopping Centre
Clydebank
G81 2TL

SOLICITORS

Blackadders LLP
Standard Building
94 Hope Street
Glasgow
G2 6QB

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

SOLICITORS

Brechin Tindal Oatts
48 St Vincent Street
Glasgow
G2 5HS

CLYDEBANK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2018

The Management Committee presents its report and the Financial Statements for the year ended 31 March 2018.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.2191R(S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SCO33962. The Association is registered with the Scottish Government as a Registered Property Factor, registration no. PF000231.

The Association is a member of the Scottish Federation of Housing Associations.

Principal Activities

The principal activity of the Association is the provision of housing for let at rents affordable to the client groups for whom it intends to provide.

The Association became a Scottish Charity on 10 December 2002. Financial strength has been maintained which will allow our medium to long term major repairs programme to be funded as well as continuing to provide high levels of service to our tenants.

The Association has had greater involvement in identifying and participating in Wider Action activities within our area of operation for the benefit of our tenants and the wider community.

Review of Business

The Association made a surplus of £1,444,788 in the year. (2017 - £1,305,842)

The Association remains in a strong financial position with over £7.6m deposited as cash funds and is committed to investing in its stock. In 2018/19, CHA has an extensive programme of major improvement works planned for its properties including bathroom renewals due in a high proportion of properties. This will bring total investment in major repairs in CHA properties to over £8.9m in the last 10 years. CHA has also provided for considerable funds over the next five years to continue its extensive repairs programme, all of which has been costed and is incorporated into long-term financial plans.

Future Developments

The Association has completed several rehabilitation and new build schemes, the most recent of which is Graham Avenue due off site in June 2018 and prior to that Cart Street, completed in 2009.

West Dunbartonshire Council announced 4 years ago, a ten-year strategic development partnership with Cube HA Ltd, a subsidiary of The Wheatley Group. At that time, community-based Housing Associations in West Dunbartonshire, who may still have had development aspirations, believed that this meant that opportunities for further development were restricted.

CLYDEBANK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2018

The Association continues to explore development opportunities which present themselves, including driving forward involvement in the proposed Queens Quay development and recent approaches from developers in regards to Stanford Street, Radnor Park Hotel and Playdrome car park sites.

The Association will ensure its desire to develop and grow is continually communicated effectively to West Dunbartonshire Council and the Scottish Government.

Scottish Housing Charter

The Association continues to monitor its performance against the Scottish Social Housing Charter with its fifth year statistical information submitted to the Scottish Housing Regulator in May 2018.

Date of Annual General Meeting

Thursday, 28 June 2018

Strategic Aims and Objectives

We aim to be an excellent landlord and factor, providing good quality, affordable homes within the Clydebank area.

We promote the involvement of customers in our decision making, so that we can be sure our services meet their needs.

We work with the community and other partners to help to improve Clydebank as a place to live. Our strategic objectives are:

1. To provide quality, affordable housing that meets the changing needs of our customers and to ensure fair access to housing within our area.
2. To manage the houses provided, in a professional and cost effective manner, for the benefit of our local community and the environment.
3. To provide a first class maintenance service which offers value for money and ensures the comfort and safety of our residents while achieving and maintaining high levels of satisfaction.
4. To work in partnership with others, supporting our tenants and other customers, to maximise opportunities for physical and socio-economic regeneration in Clydebank.
5. To ensure local decision making and community control, we will encourage our tenants and other customers to influence our policy and participate in decisions, which may affect them.
6. To ensure that our resources are adequate to deliver our objectives by investing in our people, demonstrating value for money and through robust procurement practices.
7. To promote social inclusion by applying principles of equality and diversity to everything we do.

CLYDEBANK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2018

Operational Review

Corporate Governance

Our governing body is our Management Committee, which is elected by and is responsible to the wider membership. It is the responsibility of the Committee to determine the strategy and overall direction for the Association and its policies. They also monitor the operational activities of the Association and set standards of service delivery.

The Management Committee members serve in a voluntary capacity and are unpaid. We recognise that this puts even more onus on us to ensure that we set and achieve high standards of professionalism in our work. We take governance very seriously and review our Governance policies and processes regularly as well as undertaking significant training in this regard.

The Executive Team is responsible for achieving the strategy set, undertaking the operational activities in line with the policies set.

This report details issues that have arisen during the year relating to the main activities undertaken by the Association.

Corporate Services

Tenant involvement and participation is a major part of our Aims and Objectives and we continue to review how the Association involves tenants in its activities. The Association is committed to involving tenants in decision making and policy making ensuring Scottish Housing Regulator (SHR) governance compliance as well as meeting the requirements of the Scottish Social Housing Charter (SSHC). This includes continued customer engagement (formation of a tenants' panel and focus groups, increase numbers on consultation register) and performance reporting.

Performance Management

Service delivery is underpinned by staff performance. This continues to be a high priority for us. We continue to invest in our staff in terms of provision and access to training opportunities in order to ensure that a high level of performance is maintained. In this regard, Clydebank Housing Association Limited holds the Investors in People Gold accreditation, the Investors in Young People Gold award for Good Practice and is a Living Wage employer. Meeting the Gold Standard means that the Association has not only met the core foundation of people management excellence but has provided significant evidence of many areas of good practice.

Best use of resources

We regularly conduct risk assessments and take any action necessary to reduce or limit risk. We have continued with a programme of major investment in our housing stock, which is by far our most costly asset. This includes carrying out both major repair and cyclical repairs and also considering whether any of our schemes should be improved further to meet the changing requirements of tenants in the future. We regularly update our stock condition information, with a recent detailed survey carried out in March 2018, to ensure that our long-term financial planning reflects our future investment requirements.

CLYDEBANK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2018

Services

The Association provides a full range of property management to tenants and factored owners involving reactive, planned and cyclical maintenance. The Association continually assesses and invests in its stock to ensure that it is of good quality, remains desirable and meets regulatory standards. We do this by maintaining accurate information and by continually assessing our stock through regular inspections and by carrying out physical 5-yearly stock condition surveys.

Welfare reform continues to present a challenge; however, our rent arrears performance still remains below peer group and national average. We continue to complete adaptations to existing properties, to meet the specific and changing needs of our tenants.

Housing Issues

The Association continues to work on reducing the period of time taken to re-let or let new properties, to ensure that we maximise our effectiveness in housing people in need and reduce our costs. The rent loss due to empty properties was £12,380 which represents 0.33% of total rental income (2017 - £16,446).

Other Areas

Risk Management Policy

The Committee has a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Association faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Committee review the adequacy of the Association's current internal controls.

The Management Committee has set policies on internal controls which cover the following:

- consideration of the type of risks the Association faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks concerned materialising;
- the Association's ability to reduce the incidence and impact on the business of risks that do materialise; and the costs of operating particular controls relative to the benefit obtained.
- clarified the responsibility of management to implement the Committee's policies and to identify and evaluate risks for their consideration.
- communicated that employees have responsibility for internal control as part of their accountability for achieving objectives.
- embedded the control system in the charity's operations so that it becomes part of the culture of the Association.
- developed systems to respond quickly to evolving risks arising from factors within the charity and to changes in the external environment.
- included procedures for reporting failings immediately to appropriate levels of management and the Committee together with details of corrective action being undertaken.

CLYDEBANK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2018

Treasury Management

The Association has a robust treasury management function, which operates in accordance with a Treasury Management Policy and an Investment Strategy both approved by the Management Committee. The Association recognises the importance of cash management and the administration and compliance with the terms set out in its loans with current lenders, Dexia, Clydesdale Bank and CAF Bank. The Association manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held.

The Association, as a matter of policy, does not enter into transactions of a speculative nature. At 31 March 2018, the Association has a mix of fixed and variable rate finance, which it considers appropriate at this time.

Maintenance policies

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

In addition, the Association has a long-term programme of major repairs to cover for works which have become necessary since the original developments were completed, including works required by subsequent legislative changes. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. Efforts are now being concentrated on compliance with the Energy Efficiency Standard for Social Housing (ESSH) and we will also be prioritising energy efficiency advice for tenants to assist with any fuel poverty issues they may have.

Procurement

The Association is committed to ensuring best value for money and quality of service when securing contracts and purchasing goods and services. To assist CHA with this commitment we undergone a Procurement & Commercial Improvement Plan (PCIP) assessment carried out by Scotland Excel. The PCIP focuses on the policies and procedures driving procurement performance and the delivery of results.

Internal Financial Control

The Management Committee is responsible for establishing and maintaining the Association's system of internal control. Internal control systems are designed to meet the particular needs of the Association and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The key procedures which the Committee of Management has established with a view to providing effective internal financial are outlined on Page 9.

Management Structure

The Management Committee has overall responsibility for the Association and there is a formal schedule of matters specifically reserved for decision by the Committee.

CLYDEBANK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2018

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 Officer.

Budgetary Process

Each year the Management Committee approves the annual budget and rolling five-year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Committee of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

Rental Income

The Association's Rent Policy is clear and transparent and is based on the size, type and makeup of the accommodation. The policy ensures that the rent structure is easy to administer and covers the different types of properties owned by the Association. This policy follows the generally accepted practice/principles of most Housing Associations.

Employee Involvement and Health & Safety

The Association encourages employee involvement in all major initiatives.

Disabled Employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. An interview is guaranteed to all those applicants who meet the minimum criteria. In the event of employees becoming disabled, every effort is made to re-train them in order that their employment with the Association may continue. It is the policy of the Association that training, career development and promotion opportunities should be available to all employees.

Sales of housing properties

Properties are disposed of under the appropriate legislation and guidance. All costs, first tranche sales, 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.

We sold 1 (2017: 6) property under the Right to Buy scheme thereby allowing the tenants to achieve their aspiration of becoming home owners.

The Association notified its tenants that the Right to Buy scheme came to an end in Scotland on 1 August 2016.

Property Purchases

During the year 2017/18, the Association purchased 3 shared ownership properties where the sharing owners were facing serious financial difficulties and thereafter were able to remain in their properties under a standard Scottish Secure Tenancy Agreement.

CLYDEBANK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2018

Management Committee and Executive Officers

The members of the Management Committee and the Executive Officers are listed on Page 1.

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

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

Statement of Management Committee's Responsibilities

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

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

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to: ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements - 2015. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

The Management Committee must, in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Management Committee are aware:

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

CLYDEBANK HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2018

Statement on Internal Financial Control

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

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

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

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

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2018. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Donations

During the year the Association made charitable donations amounting to £435 (2017 - £nil).

Auditors

A resolution to re-appoint the Auditors, Alexander Sloan, Chartered Accountants, will be proposed at the Annual General Meeting.

By order of the Management Committee

PAUL SHIACH

Secretary
19 June 2018

CLYDEBANK HOUSING ASSOCIATION LIMITED

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

In addition to our audit of the Financial Statements, we have reviewed your statement on page 9 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 9 has provided the disclosures required by the relevant Regulatory Standards with the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

ALEXANDER SLOAN

Accountants and Business Advisers
Statutory Auditors
GLASGOW
19 June 2018



Alexander Sloan
Accountants and Business Advisers

CLYDEBANK HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLYDEBANK HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Clydebank Housing Association Limited (the 'Association') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2018 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements 2015.

In our opinion the exemption granted by the Financial Conduct Authority from the requirement to prepare Group Accounts is applicable as the amounts involved are not material.

Basis for opinion

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

Conclusions relating to going concern

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

- the Management Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Management Committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

CLYDEBANK HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLYDEBANK HOUSING ASSOCIATION LIMITED (Continued)

Other information

The Management Committee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Management Committee

As explained more fully in the Statement of Management Committee's Responsibilities as set out on Page 8, the Management Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determines 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 Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

CLYDEBANK HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLYDEBANK HOUSING ASSOCIATION LIMITED (Continued)

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of the Management Committee use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Association audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ALEXANDER SLOAN

Accountants and Business Advisers
Statutory Auditors
GLASGOW
19 June 2018



CLYDEBANK HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018		2017	
		£	£	£	£
REVENUE	2		4,740,292		4,677,819
Operating Costs	2		(3,350,546)		(3,381,547)
OPERATING SURPLUS			1,389,746		1,296,272
Gain On Sale Of Housing Stock	7	48,675		14,955	
Provision against investment	24	22,867		36,713	
Interest Receivable and Other Income		50,089		80,166	
Interest Payable and Similar Charges	8	(64,891)		(79,028)	
Other Finance Income / (Charges)	11	(1,698)		(43,236)	
			55,042		9,570
SURPLUS FOR THE YEAR	9		1,444,788		1,305,842
Other Comprehensive Income			-		-
TOTAL COMPREHENSIVE INCOME			1,444,788		1,305,842

The notes on pages 18 to 32 form part of these financial statements.

CLYDEBANK HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Notes	2018		2017	
		£	£	£	£
NON-CURRENT ASSETS					
Housing Properties - Depreciated Cost	12 (a)		27,757,717		26,002,139
Other Non-current Assets	12 (b)		3,079,431		3,155,423
			<u>30,837,148</u>		<u>29,157,562</u>
INVESTMENTS					
Investment in subsidiaries	24	352,670		329,803	
			<u>352,670</u>		<u>329,803</u>
CURRENT ASSETS					
Receivables	14	223,604		860,557	
Cash at bank and in hand		7,629,314		6,797,827	
		<u>7,852,918</u>		<u>7,658,384</u>	
CREDITORS: Amounts falling due within one year	15	<u>(1,246,526)</u>		<u>(1,736,312)</u>	
NET CURRENT ASSETS			<u>6,606,392</u>		<u>5,922,072</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>37,796,210</u>		<u>35,409,437</u>
CREDITORS: Amounts falling due after more than one year	16		(4,036,795)		(2,829,356)
DEFERRED INCOME					
Social Housing Grants	18	<u>(15,404,677)</u>		<u>(15,670,123)</u>	
			<u>(15,404,677)</u>		<u>(15,670,123)</u>
NET ASSETS			<u>18,354,738</u>		<u>16,909,958</u>
EQUITY					
Share Capital	19		164		172
Revenue Reserves			<u>18,354,574</u>		<u>16,909,786</u>
			<u>18,354,738</u>		<u>16,909,958</u>

The Financial Statements were approved by the Management Committee and authorised for issue and signed on their behalf on 19 June 2018.

Chairperson

Treasurer

Secretary

The notes on pages 18 to 32 form part of these financial statements.

CLYDEBANK HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018	2017
		£	£
Net cash inflow from operating activities	17	913,582	2,162,748
Investing Activities			
Acquisition and Construction of Properties	(2,509,204)	(3,454,917)	
Purchase of Other Fixed Assets	(9,505)	(21,118)	
Social Housing Grant Received	897,513	1,970,451	
Social Housing Grant Repaid	-	(33,715)	
Proceeds on Disposal of Properties	60,000	139,100	
Net cash outflow from investing activities		(1,561,196)	(1,400,199)
Financing Activities			
Loan Advances Received	1,775,602	-	
Interest Received on Cash and Cash Equivalents	130,625	80,166	
Interest Paid on Loans	(28,499)	(84,028)	
Loan Principal Repayments	(398,634)	(364,921)	
Share Capital Issued	7	15	
Net cash inflow / (outflow) from financing activities		1,479,101	(368,768)
Increase in cash		831,487	393,781
Opening Cash & Cash Equivalents		6,797,827	6,404,046
Closing Cash & Cash Equivalents		7,629,314	6,797,827
Cash and Cash equivalents as at 31 March			
Cash		7,629,314	6,797,827
		7,629,314	6,797,827

The notes on pages 18 to 32 form part of these financial statements.

CLYDEBANK HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2018

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2016	193	15,603,944	15,604,137
Issue of Shares	15	-	15
Cancellation of Shares	(36)	-	(36)
Surplus for Year	-	1,305,842	1,305,842
Balance as at 31 March 2017	172	16,909,786	16,909,958
Balance as at 1 April 2017	172	16,909,786	16,909,958
Issue of Shares	7	-	7
Cancellation of Shares	(15)	-	(15)
Surplus for Year	-	1,444,788	1,444,788
Balance as at 31 March 2018	164	18,354,574	18,354,738

The notes on pages 18 to 32 form part of these financial statements.

CLYDEBANK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice for Social Housing Providers 2014 and the Co-operative and Community Benefits Societies Act 2014. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods commencing on or after 1 January 2015.

Basis of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice for Social Housing Providers 2014, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2015. A summary of the more important accounting policies is set out below.

Revenue

The Association recognises rent receivable net of losses from voids. Service charge income (net of voids) is recognised with expenditure as it is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met. Government Grants are released to income over the expected useful life of the asset to which it relates.

Retirement Benefits

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

The Association accounts for amounts that it has agreed to pay towards the Scheme deficit in accordance with paragraph 28.11A of FRS 102. The present value of this liability has been recognised in the Statement of Financial Position. The discount rate applied to this obligation is that of a yield rate for a high quality corporate bond. The Association closed membership of the defined benefit scheme to all staff members on 31st March 2014 and since 1st April 2014 then have operated the defined contribution scheme whereby fixed contributions are paid into the fund. These contributions are recognised when they are due.

Valuation Of Housing Properties

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

Component	Useful Economic Life
Structure	50 years
Kitchen	20 years
Bathroom	25 years
Gas Boiler	15 years
Radiator & Pipe work	30 years
Electric Heating	25 years
Rewiring	30 years
Ventilation units	10 years
Emergency Lighting	10 & 15 years
Windows	30 years
External Doors	30 years
Communal entrance & pass doors	20 years
Door entry system	15 years
Lifts	20 years

CLYDEBANK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES

Depreciation And Impairment Of Other Non-Current Assets

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

Asset Category	Sub Category	Depreciation Rate
Office Premises	Structure	50 years
	Kitchen	20 years
	Bathroom	25 years
	Gas Boiler	15 years
	Radiator & Pipe work	30 years
	Electric Heating	25 years
	Rewiring	30 years
	Ventilation units	10 years
	Door entry system	15 years
	Lifts	10 years
	Heating System	10 years
	Doors & Windows	20 years
	Land	Not depreciated
Furniture and Fittings		5 years
Computer Equipment		3 years
Office Equipment		5 years

The carrying value of non-current assets are reviewed for impairment at the end of each

Social Housing Grant And Other Grants In Advance/Arrears

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

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

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

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

Sales Of Housing Properties

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

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

Disposals under shared equity schemes are accounted for in the Statement of Comprehensive Income. The remaining equity in the property is treated as a non-current asset investment,

Taxation

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

CLYDEBANK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES

Estimation Uncertainty

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

a) Rent Arrears - Bad Debt Provision

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

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

d) Costs of shared ownership

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

Key Judgements made in the application of Accounting Policies

a) The Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Financial instrument break clauses

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

d) Pension Liability

During 2017-18 the Association received details from the Pension Trust of the full valuation of the pension scheme at September 2015 and the Pension Trust's estimate of the Association's future past service deficit contributions. The Association must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement at each year end and the resulting expense in the Statement of Comprehensive Income i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

The Association has used the details received from the Pensions Trust pertaining to the September 2015 valuation to provide the basis of the calculated past service deficit pension liability in these financial statements. The Management Committee feel this is the best available estimate of the past service liability. Further details are provided in note 25.

CLYDEBANK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES

Financial Instruments - Basic

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

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

Leases/Leased Assets

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

Works to Existing Properties

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

Development Interest

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

CLYDEBANK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Notes	2018			2017		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3	4,396,988	2,912,337	1,484,651	4,359,797	2,985,543	1,374,254
Other Activities	4	343,304	438,209	(94,905)	318,022	396,004	(77,982)
Total		4,740,292	3,350,546	1,389,746	4,677,819	3,381,547	1,296,272

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Shared Ownership £	2018 Total £	2017 Total £
Revenue from Lettings				
Rent receivable net of service charges	3,675,548	100,723	3,776,271	3,734,647
Service charges receivable	81,446	2,997	84,443	79,551
Gross income from rent and service charges	3,756,994	103,720	3,860,714	3,814,198
Less: Rent losses from voids	12,380	-	12,380	16,446
Net Rents Receivable	3,744,614	103,720	3,848,334	3,797,752
Grants released from deferred income	522,228	26,426	548,654	562,045
Total turnover from affordable letting activities	4,266,842	130,146	4,396,988	4,359,797
Expenditure on affordable letting activities				
Management and maintenance administration costs	1,202,796	46,159	1,248,955	1,230,126
Service Costs	84,443	-	84,443	79,551
Planned and cyclical maintenance, including major repairs	244,819	-	244,819	306,672
Reactive maintenance costs	457,270	-	457,270	481,596
Bad Debts - rents and service charges	16,287	-	16,287	35,382
Depreciation of affordable let properties	830,353	30,210	860,563	852,216
Operating costs of affordable letting activities	2,835,968	76,369	2,912,337	2,985,543
Operating surplus on affordable letting activities	1,430,874	53,777	1,484,651	1,374,254
2017	1,320,499	53,755		

CLYDEBANK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Grants From Scottish Ministers	Other Revenue Grants	Other Income	Total Turnover	Operating Costs Other	Operating Surplus / (Deficit) 2018	Operating Surplus / (Deficit) 2017
	£	£	£	£	£	£	£
Wider role activities	157,849	13,063	115,982	286,894	385,614	(98,720)	(87,721)
Factoring	-	-	12,375	12,375	11,771	604	521
Development and construction of property activities	-	-	2,290	2,290	14,342	(12,052)	1,913
Other activities	-	-	41,745	41,745	26,482	15,263	7,305
Total From Other Activities	157,849	13,063	172,392	343,304	438,209	(94,905)	(77,982)
2017	136,799	16,433	164,790	318,022	396,004	(77,982)	

Funding for wider role activities received in the year from the Scottish Government, Big Lottery Awards for All and Cyclists Clubs UK totalled £170,912 (2017: £149,370). Corresponding operating costs relating to this income totalled £170,912 (2017: £149,370).

CLYDEBANK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.

Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)

Pension contributions made on behalf on Officers with emoluments greater than £60,000

Emoluments payable to Chief Executive (excluding pension contributions)

Total Emoluments paid to key management personnel

	2018	2017
	£	£
	<u>71,197</u>	<u>68,729</u>
	<u>7,065</u>	<u>6,810</u>
	<u>71,197</u>	<u>68,729</u>
	<u><u>235,037</u></u>	<u><u>231,464</u></u>

Key management personnel are considered to be the Executive Officers as outlined in Page 1 of these financial statements.

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

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

6. EMPLOYEE INFORMATION

The average monthly number of full time equivalent persons employed during the year was:

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

Staff Costs were:

Wages and Salaries
Social Security Costs
Other Pension Costs

	2018	2017
	No.	No.
	<u>30</u>	<u>29</u>
	<u>33</u>	<u>33</u>
	£	£
	820,150	775,445
	74,428	70,119
	65,017	58,306
	<u>959,596</u>	<u>903,870</u>

CLYDEBANK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. GAIN ON SALE OF HOUSING STOCK

	2018 £	2017 £
Sales Proceeds	60,000	139,100
Cost of Sales	11,325	124,145
Gain On Sale Of Housing Stock	<u>48,675</u>	<u>14,955</u>

8. INTEREST PAYABLE & SIMILAR CHARGES

	2018 £	2017 £
On Bank Loans & Overdrafts	104,958	79,028
	104,958	79,028
Less: Interest Capitalised	<u>(40,067)</u>	<u>-</u>
	<u>64,891</u>	<u>79,028</u>

Interest capitalised was incurred at varying rates of interest.

9. SURPLUS FOR THE YEAR

	2018 £	2017 £
Surplus For The Year is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	934,675	927,321
Auditors' Remuneration - Audit Services	7,980	7,740
Gain on sale of fixed assets	<u>48,675</u>	<u>14,955</u>

10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

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

11. OTHER FINANCE INCOME / CHARGES

	2018 £	2017 £
Unwinding of Discounted Liabilities	<u>1,698</u>	<u>43,236</u>

CLYDEBANK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Completed Shared Ownership Properties £	Total £
COST				
As at 1 April 2017	33,503,927	2,985,838	1,591,806	38,081,571
Additions	565,903	2,069,505	-	2,635,408
Disposals	(83,234)	-	-	(83,234)
Transfers	81,327	-	(81,327)	-
As at 31 March 2018	<u>34,067,923</u>	<u>5,055,343</u>	<u>1,510,479</u>	<u>40,633,745</u>
DEPRECIATION				
As at 1 April 2017	11,368,259	-	711,173	12,079,432
Charge for Year	818,968	-	30,210	849,178
Disposals	(52,582)	-	-	(52,582)
Transfers	38,841	-	(38,841)	-
As at 31 March 2018	<u>12,173,486</u>	<u>-</u>	<u>702,542</u>	<u>12,876,028</u>
NET BOOK VALUE				
As at 31 March 2018	<u>21,894,437</u>	<u>5,055,343</u>	<u>807,937</u>	<u>27,757,717</u>
As at 31 March 2017	<u>22,135,668</u>	<u>2,985,838</u>	<u>880,633</u>	<u>26,002,139</u>

Additions to housing properties include capitalised development administration costs of £Nil (2017 - £Nil), capitalised major repair costs to existing properties of £505,903 (2017 - £714,171), and 3 shared ownership buy backs of £60,000.

All land and housing properties are freehold.

Total expenditure on existing properties in the year amounted to £3,337,497 (2017 - £4,162,696). The amount capitalised is £505,903 (2017 - £714,171) with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £399,612 (2017 - £433,071), improvement of £77,291 (2017 - £248,514) and adaptations of £29,000 (2017 - £32,586).

The Association's Lenders have standard securities over Housing Property with a carrying value of £16,655,994 (2017 - £14,622,303).

CLYDEBANK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON CURRENT ASSETS (Continued)

(b) Other Tangible Assets	Other Premises £	Furniture & Equipment £	Computer Equipment & Hardware £	Total £
COST				
As at 1 April 2017	3,937,825	152,572	165,750	4,256,147
Additions	-	3,198	6,307	9,505
Eliminated on Disposals	-	(12,363)	(29,168)	(41,531)
As at 31 March 2018	<u>3,937,825</u>	<u>143,407</u>	<u>142,889</u>	<u>4,224,121</u>
AGGREGATE DEPRECIATION				
As at 1 April 2017	799,709	138,279	162,736	1,100,724
Charge for year	76,473	4,369	4,655	85,497
Eliminated on Disposals	-	(12,363)	(29,168)	(41,531)
As at 31 March 2018	<u>876,182</u>	<u>130,285</u>	<u>138,223</u>	<u>1,144,690</u>
NET BOOK VALUE				
As at 31 March 2018	<u>3,061,643</u>	<u>13,122</u>	<u>4,666</u>	<u>3,079,431</u>
As at 31 March 2017	<u>3,138,116</u>	<u>14,293</u>	<u>3,014</u>	<u>3,155,423</u>

Other premises includes the Office Premises, the Social Economy Centre and Centre 81.

13. CAPITAL COMMITMENTS

	2018 £	2017 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	<u>178,356</u>	<u>2,247,496</u>

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

14. RECEIVABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Arrears of Rent & Service Charges	135,900	120,712
Less: Provision for Doubtful Debts	<u>(90,931)</u>	<u>(107,107)</u>
	44,969	13,605
Social Housing Grant Receivable	-	606,362
Other Receivables	178,610	240,590
Amounts Due from Group Undertakings	25	-
	<u>223,604</u>	<u>860,557</u>

CLYDEBANK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Housing Loans	433,317	398,635
Trade Payables	219,896	752,692
Rent Received in Advance	95,381	165,010
Other Taxation and Social Security	19,734	18,569
Other Payables	8,000	8,000
Liability for Past Service Contributions	135,902	132,212
Accruals and Deferred Income	334,296	261,194
	<u>1,246,526</u>	<u>1,736,312</u>

At the balance sheet date there were pension contributions outstanding of £19,892 (2017 - £20,173).

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

	2018 £	2017 £
Liability for Past Service Contributions	408,043	542,889
Housing Loans	3,628,752	2,286,467
	<u>4,036,795</u>	<u>2,829,356</u>
Housing Loans		
Amounts due within one year	433,317	398,635
Amounts due in one year or more but less than two years	540,345	433,317
Amounts due in two years or more but less than five years	813,683	935,659
Amounts due in more than five years	2,274,724	917,491
	<u>4,062,069</u>	<u>2,685,102</u>
Less: Amount shown in Current Liabilities	433,317	398,635
	<u>3,628,752</u>	<u>2,286,467</u>
Liability for Past Service Contributions		
Amounts due within one year	135,902	132,212
Amounts due in one year or more but less than two years	137,897	134,750
Amounts due in two years or more but less than five years	270,146	408,139
	<u>543,945</u>	<u>675,101</u>
Less: Amount shown in Current Liabilities	135,902	132,212
	<u>408,043</u>	<u>542,889</u>

The Association has a number of long-term housing loans the terms and conditions of which are as follows:

Lender	Number of Properties Secured	Effective Interest Rate	Maturity (Year)	Variable / Fixed
Dexia	Standard security over 254 properties	5.2%	2019	Fixed
Clydesdale Bank	Standard security over 116 properties	2.3%	2022	Fixed
Clydesdale Bank	Standard security over 115 properties	LIBOR + 0.37%	2022	Variable
Clydesdale Bank	Standard security over 20 properties	LIBOR + 1.75%	2034	Variable
Clydesdale Bank	Standard security over 20 properties	LIBOR + 1.75%	2034	Variable
CAF Bank	Standard security over 121 properties	LIBOR + 1.25%	2042	Variable

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

The liability for the past service contributions has been accounted for in accordance with FRS 102 para 28.13A and represents the present value of the contributions payable. The cash out flows have been discounted at a rate of 1.51% (2017 - 1.06%).

CLYDEBANK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. STATEMENT OF CASH FLOWS

<i>Reconciliation of operating surplus to net cash inflow from operating activities</i>	2018	2017
	£	£
Operating Surplus	1,389,746	1,296,272
Depreciation	946,060	950,123
Amortisation of Capital Grants	(548,655)	(562,046)
Change in debtors	(49,946)	(9,659)
Change in creditors	(821,910)	531,330
Gain on sale of other fixed assets	-	-
Unwinding of Discount on Pension Liability	(1,698)	(43,236)
Defined benefit pension scheme - after finance loss	-	-
Change in loan to subsidiary	-	-
Share Capital Written Off	(15)	(36)
	<u>913,582</u>	<u>2,162,748</u>
Net cash inflow from operating activities	<u>913,582</u>	<u>2,162,748</u>

18. DEFERRED INCOME

	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Completed Shared Ownership Properties £	Other Fixed Assets £	Total £
Social Housing Grants					
As at 1 April 2017	19,825,682	2,905,849	1,410,172	2,951,981	27,093,684
Additions in the year	29,000	262,151	-	-	291,151
Eliminated on disposal of components and property	(14,328)	-	-	-	(14,328)
Transferred	35,765	-	(35,765)	-	-
As at 31 March 2018	<u>19,876,119</u>	<u>3,168,000</u>	<u>1,374,407</u>	<u>2,951,981</u>	<u>27,370,507</u>
Amortisation					
As at 1 April 2017	10,078,332	-	656,019	689,210	11,423,561
Amortisation in year	448,696	-	26,426	73,533	548,655
Eliminated on disposal	(6,386)	-	-	-	(6,386)
As at 31 March 2018	<u>10,520,642</u>	<u>-</u>	<u>682,445</u>	<u>762,743</u>	<u>11,965,830</u>
Net book value					
As at 31 March 2018	<u>9,355,477</u>	<u>3,168,000</u>	<u>691,962</u>	<u>2,189,238</u>	<u>15,404,677</u>
As at 31 March 2017	<u>9,747,350</u>	<u>2,905,849</u>	<u>754,153</u>	<u>2,262,771</u>	<u>15,670,123</u>

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

	2018	2017
	£	£
Amounts due within one year	548,655	562,046
Amounts due after more than one year	14,856,022	15,108,077
	<u>15,404,677</u>	<u>15,670,123</u>

19. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid

	£
As at 1 April 2017	172
Issued in year	7
Cancelled in year	(15)
At 31 March 2018	<u>164</u>

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

CLYDEBANK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2018	2017
	No.	No.
General Needs - Built by Association	962	940
General Needs - Purchased by Association	135	135
Shared Ownership	44	47
	<u>1,141</u>	<u>1,122</u>

21. RELATED PARTY TRANSACTIONS

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

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

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

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

	2018	2017
	£	£
Rent received from tenants on the Management Committee and their close family members	14,321	15,557
Factoring charges received from factored owners on the Management Committee	322	499

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £172 (2017 - £170).

Members of the Management Committee who are tenants	5	4
Members of the Management Committee who are owner occupiers	4	3
Members of the Management Committee who are local councillors	2	1

22. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 77-83 Kilbowie Road, Clydebank, G81 1BL.

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

23. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £2,284 (2017 - £2,546) in the year by way of reimbursement of expenses. No remuneration is paid to Management Committee members in respect of their duties in the Association.

CLYDEBANK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. INVESTMENTS

Investments in Subsidiaries

	2018 £	2017 £
Cost		
As at 1 April and 31 March	2,328,850	2,328,850
Impairment		
As at 1 April	(1,999,047)	(2,035,760)
Impairment reversal	22,867	36,713
	<u>(1,976,180)</u>	<u>(1,999,047)</u>
NBV		
As at 31 March	352,670	329,803
As at 1 April	<u>329,803</u>	<u>293,090</u>

In the opinion of the Management Committee the aggregate value of the assets of the subsidiary is not less than the aggregate of the amounts at which those assets are stated in the Association's balance sheet.

The Association has a 100% owned subsidiary named CHA Power Ltd. The relationship between the Association and its subsidiary is set out in an independence agreement between both parties.

Clydebank Housing Association Limited charged CHA Power Ltd £12,100 (2017 - £11,800) in respect of management fees and insurance.

At the balance sheet date CHA Power Ltd owed Clydebank Housing Association Limited £25 (2017 - £nil) in respect of reconnection fees.

The aggregate amount of capital and reserves and the results of CHA Power Ltd for the year ended 31 March 2018 were as follows:

	2018 £	2017 £
Capital & Reserves	<u>352,670</u>	<u>329,803</u>
Surplus for the year	<u>22,867</u>	<u>36,713</u>

The Association has a 100% owned subsidiary named Radnor Park Homes Limited. The relationship between the Association and its subsidiary is set out in an independence agreement between both parties.

The company was incorporated in February 2014 and, as at 31 March 2018, is dormant.

The aggregate amount of capital and reserves and the results of Radnor Park Homes Limited for the year ended 31 March 2018 were as follows:

	2018 £	2017 £
Capital & Reserves	<u>1</u>	<u>1</u>
Surplus for the year	<u>-</u>	<u>-</u>
Total Investments Held	<u>352,671</u>	<u>329,804</u>

CLYDEBANK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RETIREMENT BENEFIT OBLIGATIONS

General

Clydebank Housing Association Limited participated in the Scottish Housing Association Pension Scheme (the scheme).

The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers as the scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS102 represents the employer contribution payable.

The last valuation of the Scheme was performed as at 30th September 2015 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £612m. The valuation revealed a shortfall of assets compared with the value of liabilities of £198m (equivalent to a past service funding level of 76%).

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

Based on the final valuation September 2015, the Scheme has provided an estimate of the contributions required to fund the past service deficit. Under the new proposals the Association will make payments of £135,902 from 1 April 2018 (2017 - £132,852). Payments are expected to increase by 3% per annum and continue until February 2022.

All employers in the scheme have entered into the agreement to make additional contributions to fund the Scheme's past service deficit. This obligation has been recognised in terms of Para 28.11A of Financial Reporting Standard 102. At the statement of financial position date the present value of this obligation was £543,945 (2017 - £675,101). This was calculated by reference to the terms of the agreement and discounting the liability using the yield rate of a high quality corporate bond with a similar term. This discount rate used was 1.51% (2017 - 1.06%).

The Association made payments totalling £197,890 (2017- £191,136) to the past service deficit and the defined contribution scheme during the year. The payment towards the past service deficit liability was £132,852 (2017 - £132,829) and the payments towards the defined contribution scheme was £65,038 (2017 - £58,307).