



CATHCART & DISTRICT ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2025

RSL NO 85

FCA NO 1821R(S)

CHARITY NO SC037255

CATHCART & DISTRICT ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2025

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CATHCART & DISTRICT ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2025

MEMBERS, EXECUTIVE AND ADVISERS

Committee of Management

A Penney - Chairperson
M McMillan - Vice Chair
B Strathearn
S Harper
E Carter (left June 24)
C Carr
T Tokarczyk
G Haddou
P Crockett
L Dunan
S Grimsley (appointed September 24)
D Little (appointed January 25)

Director

Christine Leitch

Registered Office

3 Rhannan Road
Cathcart
Glasgow
G44 3AZ

Auditor

Findlays Audit Limited
Chartered Accountants
11 Dudhope Terrace
Dundee
DD3 6TS

Principal Bankers

Royal Bank of Scotland Plc
23 Sauchiehall Street
Glasgow
G2 3AD

Solicitors

Messrs Brechin Tindal Oatts
Solicitors & Notaries
48 St Vincent Street
Glasgow
G2 5HS

Report of the Committee of Management

The Committee of Management present their report and the audited financial statements for the year ended 31 March 2025.

Principal Activities

Cathcart & District Association ("the Association") aims to provide housing solutions to meet the needs of local communities and to serve the interests of our current and future tenants.

Committee of Management

The Committee of Management are as detailed on page 1 of the financial statements.

The Association provides a range of sustainable housing solutions, develops social and economic opportunities, and provides an effective and efficient service to its customers.

At the year end, the Association was operating still in an economic downturn amidst high inflation and increasing costs. The Association has introduced several operational procedures to ensure compliance with Scottish Government guidance whilst continuing to support our stakeholders. The Association is of the belief that it is well placed to meet the challenges ahead and will continue to monitor developments. Specifically, we have a robust long-term financial model in place, which is based on prudent assumptions to maintain viability and to ensure all our financial covenants with lenders are achieved with sufficient head room built in as a contingency. Our strategic position will continue to be monitored in line with the economic trends.

1 Financial / Treasury Management

- 1.1 In the financial year 2024/25 the Association made an operating surplus of £529,720. After accounting for interest receivable and payable, and disposal of tangible assets, the total amounted to a surplus for the year of £495,440.

The Association participates in a multi-employer pension scheme, SHAPS, and under FRS 102, is required to include its share of net assets / liabilities in the financial statements. Each year, actuaries will update the Association's share of net assets / liabilities and the actuarial gain or loss must be included in the Statement of Comprehensive Income. The movement between 1 April 2024 and 31 March 2025 was reported as a gain of £23,087.

The Association's revenue reserves now sit at a balance of £8,049,161.

- 1.2 Finances are managed through the yearly budget process and ongoing development of key performance targets.
- 1.3 The Association continues to invest in the existing stock and the five-year financial projections detail how resources are deployed to meet business needs, including key assumptions and trends. All financial plans are subject to scenario planning and sensitivity testing to ensure robustness.
- 1.4 A full risk appraisal is undertaken on all large-scale capital projects, which gives a detailed record of all identified risks; this review is presented to the Committee for a full discussion before formal approval is given by the Committee.

- 1.5 Treasury Management includes managing all short and medium-term cash flow requirements, withdrawing funds and managing assets' security. In protecting financial resources, it is ensured that investment decisions are properly assessed and that appropriate financial returns are delivered.

2 Reactive / Planned Maintenance

- 2.1 A key aim for the Association is to ensure that properties meet or exceed national standards. The 30-year planned maintenance programme and cash projections take account of investment in modernising and repairing houses, and in improving the social and physical nature of the community to protect and enhance the assets which underpin the Association's funding.

3 Asset Management

- 3.1 Currently, selective cyclical and planned maintenance programmes are being undertaken which includes renewals to boilers and kitchens and carry out electrical safety checks. Landlord compliance in a range of health and safety measures are a salient part of our asset management work.
- 3.2 There is a focus to ensure updated and relevant information is held on our planned maintenance database which is key to providing information as to when property components are due to be replaced.
- 3.3 The asset investment plan, cashflows and 30 year financial models are aligned for consistency in order to ensure that an adequate fundable plan is in place.

4 Future Business Growth

- 4.1 The Association currently has 595 properties across Cathcart & Mount Florida areas of Glasgow.
- 4.2 The Association is continually looking into ways of increasing its housing stock and is in ongoing discussions with other organisations about new developments. During 24/25 a further 7 flats were purchased from homeowners receiving 75% grant funding from Glasgow City Council. In addition, a further 2 flats were purchased as part of our proposed development at Hampden with 100% funding from Glasgow City Council.
- 4.3 A full risk appraisal and feasibility study is undertaken on all large scale projects being presented to the Committee for discussion and formal approval.

5 Governance Arrangements

- 5.1 The Association has completed a strategic review to ensure compliance with best practice. As required, the Association completed the Scottish Housing Regulator's Annual Assurance Statement in October 2024, confirming compliance with Regulatory Standards.
- 5.2 Currently governance operates through the Committee of Management which consists of current and former tenants of the Association and other interested individuals who bring specific skills to the committee.
- 5.3 Each year the Committee of Management undertake an appraisal to assess any skills gaps on the Committee. This process allows the Committee to set a training calendar for the year ahead and identify any skill gap areas which should be targeted through Committee recruitment.

6 Provision of Services

6.1 The Association currently employs 16 members of staff on a full and part time basis.

6.2 Looking towards the future, the Association will ensure that the services it provides continue to meet the needs of tenants, customers and the community.

Committee of Management and Director

The Committee of Management and Director of the Association are listed on page 1.

Each member of the Committee of Management holds one fully paid share of £1 in the Association. The Executive Officer of the Association holds no interest in the Association's share capital and although not having the legal status of director, acts as an executive within the authority delegated by the Committee.

Statement of the Committee's Responsibilities

Housing Association legislation requires the 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 income and expenditure of the Association for the year ended on that date. In preparing those financial statements the Committee are required to:-

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

The Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association.

The Committee is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement on Internal Financial Controls

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

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

It is the Committee of Management 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 include ensuring that:

- (i) Formal policies and procedures are in place including the documentation of key systems and rules relating to the delegation of authorities which allow the monitoring of controls and restrict the unauthorised use of the Association's assets. These policies and regulations are reviewed on a regular basis in accordance with a structured programme.
- (ii) Experienced and suitably qualified staff take responsibility for important business functions. Their development and performance are monitored through an annual appraisal system and regular one to one meetings.

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for the year ended 31st March 2025

- (iii) Forecasts and budgets are prepared which allow the Committee and Management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.
- (iv) Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies.
- (v) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Committee of Management.
- (vi) Together with the Audit Committee, the Committee of Management reviews reports from management and from the internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association.
- (vii) Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.
- (viii) An annual programme of performance and service review and improvement is approved by the Committee with progress regularly reviewed.

The Committee of Management has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2025 and also for the period up to the signing of this report. No significant control 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.

In so far as the Committee are aware:

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

Auditors

A resolution to re-appoint the Auditors, Findlays Audit Limited, Chartered Accountants, will be proposed at the Annual General Meeting.

By order of the Committee

Secretary

21 August 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CATHCART & DISTRICT HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Cathcart & District Housing Association Limited for the year ended 31 March 2025 which comprise statements of comprehensive income, financial position, cash flows, changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CATHCART & DISTRICT HOUSING ASSOCIATION LIMITED

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 are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the Association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the Statement of Comprehensive Income and Statement of Financial Position and any other statements to which our report relates are not in agreement with the Association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 5, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it 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 Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CATHCART & DISTRICT HOUSING ASSOCIATION LIMITED

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Association through discussions with directors and other management, and from our knowledge and experience of the social housing sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010, SHR regulatory requirements, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of 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 set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CATHCART & DISTRICT HOUSING ASSOCIATION LIMITED

- reviewing correspondence with HMRC, relevant regulators including the SHR, Health and Safety Executive, and the company's legal advisors.

Because of the sector which the Association operates we have identified, the following areas which are most likely to have an impact on the financial statements:

Direct impact on the financial statements

- FRS 102/SORP 2018
- Registered social landlords determination of accounting requirements 2025
- Charity legislation
-

Indirect impact on the financial statements

- Health and safety at work act
- GDPR
- Employment law
- Money laundering regulations
- Landlord regulations
- Housing (Scotland) Act 2014
- Scottish Housing quality standards

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CATHCART & DISTRICT HOUSING ASSOCIATION LIMITED

Use of our report

This report is made solely to the Association's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members 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.

Findlays Audit Limited is eligible for appointment as auditor of the Association by virtue of its eligibility for appointment as auditor of a company under s 1212 of the companies Act 2006.

Sandy Squires, CA (Senior Statutory Auditor)
For and on Behalf of Findlays Audit Limited,
Chartered Accountants and Statutory Auditor,
11 Dudhope Terrace
Dundee
DD3 6TS

Date: 21 August 2025

REPORT BY THE AUDITORS ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the financial statements, we have reviewed your statement on pages 5 & 6 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on pages 5 & 6 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the Committee of Management and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Committee of Management'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 Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

Sandy Squires, CA (Senior Statutory Auditor)
For and on Behalf of Findlays Audit Limited
Chartered Accountants and Statutory Auditor
11 Dudhope Terrace
Dundee
DD3 6TS

Date: 21 August 2025

CATHCART & DISTRICT ASSOCIATION LIMITED

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for the year ended 31st March 2025

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2025 £	2024 £
Turnover	2	2,952,769	2,767,822
Operating expenditure	2	(2,423,049)	(2,529,184)
Operating surplus / (deficit)		<u>529,720</u>	<u>238,638</u>
Gain/(loss) on disposal of tangible fixed assets	10	119,763	234,017
Gain/(loss) on revaluation		-	-
Interest receivable and other income	7	47,007	49,507
Interest payable and similar charges	8	(188,963)	(197,741)
Other finance charges	8	(12,087)	(5,173)
Surplus / (deficit) for the year		<u>495,440</u> =====	<u>318,248</u> =====
Actuarial gain / (loss) in respect of pension schemes	21	23,087	(125,828)
Total comprehensive income for the year		<u>518,527</u> =====	<u>192,420</u> =====

All amounts relate to continuing activities.

Gain on revaluation relates to properties previously impaired that are now being held for sale.

The notes on pages 17 to 39 form part of the Financial Statements

CATHCART & DISTRICT ASSOCIATION LIMITED

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for the year ended 31st March 2025

STATEMENT OF FINANCIAL POSITION

	Notes	2025 £	2024 £
Fixed assets			
Tangible assets - social housing	12	14,642,423	13,344,072
Other tangible assets - plant and equipment	13	88,183	111,392
		<u>14,730,606</u>	<u>13,455,464</u>
Current assets			
Trade and other debtors	14	1,176,848	750,610
Cash and cash equivalents		1,080,555	1,395,148
		<u>2,257,403</u>	<u>2,145,758</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(605,479)	(653,067)
Net current assets / (liabilities)		<u>1,651,924</u>	<u>1,492,691</u>
Total assets less current liabilities		16,382,530	14,948,155
Creditors: amounts falling due after more than one year	16	(3,186,865)	(3,408,459)
Deferred income			
Deferred capital grants - Social Housing Grants	19	(4,913,504)	(3,765,058)
Pension Scheme liability	21	(233,000)	(244,000)
Total net assets		<u>8,049,161</u>	<u>7,530,638</u>
Capital and reserves			
Share capital	17	55	59
Income and expenditure reserve	18	8,049,106	7,530,579
		<u>8,049,161</u>	<u>7,530,638</u>

The financial statements were approved by the Committee of Management on 21 August 2025 and were signed on its behalf by:

.....

Secretary

.....

Committee member

.....

Committee member

The notes on pages 17 to 39 form part of these financial statements.

CATHCART & DISTRICT ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2025

STATEMENT OF CHANGES IN RESERVES

	Share Capital	Income & Expenditure Reserve	Total
	£	£	£
At 1 April 2024	59	7,530,579	7,530,638
Surplus / (deficit) for the year	-	495,440	495,440
Issue of shares	5	-	5
Shares cancelled	(9)	-	(9)
Pension plan	-	23,087	23,087
Revaluation of tangible fixed assets	-	-	-
	-----	-----	-----
At 31 March 2025	55	8,049,106	8,049,161
	=====	=====	=====

	Share Capital	Income & Expenditure Reserve	Total
	£	£	£
At 1 April 2023	69	7,338,159	7,338,228
Surplus / (deficit) for the year	-	318,248	318,248
Issue of shares	-	-	-
Shares cancelled	(10)	-	(10)
Pension plan	-	(125,828)	(125,828)
Revaluation of tangible fixed assets	-	-	-
	-----	-----	-----
At 31 March 2024	59	7,530,579	7,530,638
	=====	=====	=====

CATHCART & DISTRICT ASSOCIATION LIMITED

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for the year ended 31st March 2025

STATEMENT OF CASH FLOWS

	Notes	2025 £	2024 £
Net cash generated from operating activities	26	445,498	282,826
Cash flow from investing activities			
Payments to acquire and develop housing properties		(1,742,458)	(964,504)
Purchase to acquire other assets		(900)	(5,291)
Grants received		1,220,347	704,113
Interest received		47,007	49,507
Proceeds of fixed assets		132,665	740,175
		<u>(343,339)</u>	<u>(524,000)</u>
Cash flow from financing activities			
Interest and other finance charges paid		(188,963)	(198,741)
Repayments of borrowings		(221,595)	(220,004)
Cost of sales of fixed assets		(6,199)	(65,294)
Issue of share capital		5	-
Net cash flow from financing activities		<u>(416,752)</u>	<u>(484,039)</u>
Net increase / (decrease) in cash and cash equivalents		(314,593)	322,787
Cash and cash equivalents at 1 April 2024		1,395,148	1,072,361
Cash and cash equivalents at 31 March 2025		<u>1,080,555</u>	<u>1,395,148</u>

NOTES TO THE FINANCIAL STATEMENTS

1. **Principal Accounting Policies**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice for social housing providers 2018 (SORP 2018) and the Scottish Housing Regulator's Determination of Accounting Requirements 2025.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of Accounting

Cathcart & District Association Limited meets the definition of a public benefit entity under FRS 102.

Cathcart & District Association Limited is a Registered Social Landlord, incorporated in Scotland within the United Kingdom. The address of the registered office is given in the Association information page of these financial statements.

The financial statements are presented in sterling which is the functional currency of the Association.

Turnover

Turnover represents rental and service charge income, fees, grants receivable and other income.

Social Housing Grants

Social Housing Grants and Other Capital Grants are accounted for using the accrual method as outlined in section 24 of FRS102. Grants are treated as deferred income and recognised as income on a systematic basis over the expected useful life of the property and assets, to which it relates.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

Housing Properties

In prior years housing properties were professionally valued on an existing use basis where surpluses and deficits were reflected in the revaluation reserve. On transition to FRS102 the Association exercised the option to adopt these values as the deemed cost.

Housing property values are now stated at deemed cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost (or valuation), less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

<u>Component</u>	<u>Economic Life</u>
Structure	100 years
Roof	60 years
Electrics	30 years
Windows	30 years
Central heating systems	30 years
Boilers	15 years
Bathrooms	25 years
Kitchens	20 years
Wrapped Kitchens	10 years

Housing properties under construction are not depreciated until they are in use.

Major components of housing properties, such as roofs, windows, bathrooms, kitchens and heating, have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives and are included in property plant and equipment.

The useful economic lives of all tangible fixed assets are reviewed annually.

Valuation movements for Housing Properties Held for Letting are allocated to land and structure in accordance with SORP 2018. The Committee of Management believe the valuation of all other components is reasonably equal to the depreciated historical costs (net of grants) of such components.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Other Non-current assets

The Association's assets other than land are written off at rates calculated to write off the cost of each asset less any grant received evenly over their expected useful economic lives as follows:

Computer equipment	33% straight-line
Furniture & fittings	10% straight-line
Other equipment	15% straight-line
Motor vehicles	25% straight-line

Leasehold improvements are stated at cost less accumulated depreciation. Depreciation is charged at an annual rate to write off the leasehold improvements over the term of the lease.

Works to Existing Properties

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the property, thereby enhancing the economic benefits of the assets, are capitalised as improvements. Works to existing properties which do not result in the enhancement of economic benefits are charged to the Statement of Comprehensive Income

Capitalisation of Development Overheads

Costs which are directly attributable to bring assets into working condition are included in housing properties cost during development and component replacement. Directly attributable costs include direct labour costs of the Association and incremental costs which would have been avoided only if the development or component replacement was not taking place. All other development costs are written off to the Statement of Comprehensive Income in the period in which it occurs.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other administrative expenses.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction, it is measured at present value.

Provisions for liabilities

Pensions

The Association participates in the Scottish Housing Association Pension Scheme (SHAPS). Retirement benefits for employees of the Association are funded by 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 now accounts for this as a defined benefit scheme in accordance with FRS 102.

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

Accruals and Deferred Income

Non- government grants in relation to capital expenditure are written off to the Statement of Comprehensive Income in the year in which they are receivable.

Significant Estimates

The preparation of financial statements requires the use of certain accounting judgements and estimates. It also requires the Committee of Management to exercise judgment in applying the Association's accounting policies. The areas requiring the use of significant estimates are disclosed below.

Rent Arrears - Bad Debt Provision

The Association's bad debt provision is based on percentages of rent arrears existing at the year end.

Useful life of Properties, Plant and Equipment

The Association estimates the useful life of properties, plant and equipment, as well as components thereof, and estimates an annual charge to be depreciated. Housing property estimates are made in reference to surveys carried out by external surveyors.

Defined Pension Liability

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Particulars of Turnover, Cost of Sales, Operating Costs & Operating Surplus

		2025		
		Turnover	Operating Costs	Operating Surplus/ (Deficit)
		£	£	£
Social Lettings	Note 3	2,856,335	2,281,088	575,247
Other activities	Note 4	96,434	141,961	(45,527)
		-----	-----	-----
Total		2,952,769	2,423,049	529,720
		=====	=====	=====

		2024		
		Turnover	Operating Costs	Operating Surplus/ (Deficit)
		£	£	£
Social Lettings	Note 3	2,650,688	2,366,454	284,234
Other activities	Note 4	117,134	162,730	(45,596)
		-----	-----	-----
Total		2,767,822	2,529,184	238,638
		=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Particulars of Income & Expenditure From Social Letting Activities

	2025 Total £	2024 Total £
Income from Letting		
Rent Receivable	2,773,003	2,538,507
Less: Rent Losses from Voids	(7,178)	(24,999)
Net Rent Receivable	2,765,825	2,329,863
Release of Deferred capital grant	71,902	60,636
Revenue Grant from local authority	18,608	31,544
Total Turnover from Letting Activities	2,856,335	2,650,688
Expenditure on Social Letting Activities		
Stage 3 Adaptations	(22,548)	(28,676)
Management and maintenance admin costs	(1,188,995)	(1,100,869)
Reactive maintenance	(377,774)	(542,231)
Planned and cyclical	(279,166)	(285,844)
Bad debts – rents and service charges	24,798	(7,958)
Depreciation of social housing	(437,403)	(400,876)
Total Operating Costs	(2,281,088)	(2,366,454)
Operating Surplus/(Deficit)	575,247	284,234

Depreciation of social housing includes impairment of £nil (2024 - £nil). Release of deferred capital grant includes accelerated amortisation of £nil (2024 - £26,060) relating to component replacements.

CATHCART & DISTRICT ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Particulars of Turnover, Operating Costs and Operating Surplus or Deficit from Other Activities

	Other Income £	Operating Costs £	2025 Total £	2024 Total £
Wider Role	1,420	(38,275)	(36,855)	(40,769)
Factoring	95,014	(95,014)	-	-
Development Activities	-	-	-	-
Other Activities	-	(8,672)	(8,672)	(4,827)
Total for other activities 2025	96,434	(141,961)	(45,527)	(45,596)
Total for other activities 2024	117,134	(162,730)	(45,596)	

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. **Key Management Personnel Emoluments**

As per the Scottish Housing Regulator's Determination of Accounting Requirements 2024, disclosure of key management personnel's emoluments exceeding £60,000 per annum is required.

	2025 £	2024 £
Aggregate emoluments payable to key management personnel with emoluments greater than £60,000		
Emoluments excluding employers pension	79,205	81,727
Employers pension contributions	7,247	7,478
Total emoluments payable	86,452 =====	89,205 =====

The emoluments payable to, or received by, the Director amount to :

Emoluments excluding employers pension	79,205	81,727
Employers pension contributions	7,247	7,478
Total emoluments payable	86,452 =====	89,205 =====

Total expenses reimbursed to the committee in so far as not chargeable to the United Kingdom income tax.

2,329 =====	1,841 =====
----------------	----------------

The emoluments of key management personnel (excluding pension contributions) were within the following ranges :-

£60,001 to £70,000	-	-
£70,001 to £80,000	-	-
£80,001 to £90,000	1	1
	=====	=====

The key management personnel are ordinary members of the Association's pension scheme described in note 21. No enhanced or special terms apply to membership and they have no other pension arrangements to which the Association contributes. No emoluments were paid to any member of the Committee during the year.

CATHCART & DISTRICT ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. **Employee Information**

	2025	2024
	No.	No.
The average monthly number of full time equivalent persons employed during the year was:	17	17
	=====	=====

	2025	2024
	£	£
Staff costs		
Wages and salaries	598,507	592,513
Social security cost	53,763	43,895
Pension costs	57,954	51,094
	-----	-----
	710,224	687,502
	=====	=====

7. **Interest and other finance income**

	2025	2024
	£	£
Interest receivable	47,007	49,507
	-----	-----
	47,007	49,507
	=====	=====

8. **Interest payable and similar charges**

	2025	2024
	£	£
Bank loans and overdrafts	188,963	198,741
	-----	-----
	188,963	198,741

Other finance costs

Interest on defined benefit pension liability	12,087	5,173
	=====	=====
	201,050	203,914
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. **Surplus / (deficit) on ordinary activities**

Surplus / (deficit) on ordinary activities is stated after charging:-	2025	2024
	£	£
Gain on disposal of fixed assets	119,763	234,017
Operating lease	12,440	12,440
Depreciation/loss on sale - tangible other fixed assets	24,109	25,269
Deprecation - tangible land & buildings fixed assets	437,403	400,876
Auditors remuneration (including VAT)	11,700	10,000
Bad Debts (including provision)	(16,126)	18,784
	=====	=====

10. **Gain on Disposal**

	2025	2024
	£	£
Sales Proceeds	132,665	740,175
Cost of Sales	(6,199)	(65,294)
Disposal of Stock	-	(296,000)
Disposal of Fixed Assets	(6,703)	(144,864)
	-----	-----
	119,763	234,017
	=====	=====

11. **Taxation**

Cathcart and District Housing Association Limited converted to a charity registered in Scotland on 7th November 2005 and, as such, is no longer subject to taxation.

CATHCART & DISTRICT ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. **Tangible Fixed Assets - Housing Properties**

	Housing held for Letting £	Housing Properties in the Course of Construction £	Other Properties £	Total £
Cost				
At 1 April 2024	15,899,546	159,298	-	16,058,844
Additions	1,645,667	96,791	-	1,742,458
Transfer to completed properties	1,080	(1,080)	-	-
Disposals	(124,062)	-	-	(124,062)
At 31 March 2025	17,422,231	255,009	-	17,677,240
Depreciation				
As at 1 April 2024	2,714,772	-	-	2,714,772
Charge for the year	371,970	-	-	371,970
Impairment	-	-	-	-
Revaluation	-	-	-	-
Adjustment for disposals	(51,925)	-	-	(51,925)
At 31 March 2025	3,034,817	-	-	3,034,817
Net Book Values				
As at 31 March 2025	14,387,414	255,009	-	14,642,423
As at 31 March 2024	13,184,774	159,298	-	13,344,072

Component replacement costs of £212,941 (2024 - £225,600) were capitalised during the year.

Total expenditure on existing properties in the year amounted to £869,880 (2024 - £1,053,675). The amount capitalised is £212,941 (2024 - £225,600) with the balance charged to the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Tangible fixed assets - other

	Office Premises	Motor Vehicle	Office Equipment	Total
Cost	£	£	£	£
At 1 April 2024	212,772	4,082	282,074	498,928
Additions	-	-	900	900
Disposals	-	-	-	-
	-----	-----	-----	-----
As at 31 March 2025	212,772	4,082	282,974	499,828
	-----	-----	-----	-----
Depreciation				
At 1 April 2024	115,280	4,082	268,174	387,536
Charge for year	16,249	-	7,860	24,109
Disposals	-	-	-	-
	-----	-----	-----	-----
As at 31 March 2025	131,529	4,082	276,034	411,645
	-----	-----	-----	-----
Net Book Value				
At 31 March 2025	81,243	-	6,940	88,183
	=====	=====	=====	=====
At 31 March 2024	97,492	-	13,900	111,392
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Trade and other debtors

	2025 £	2024 £
Rent receivable	134,764	175,799
Less: Provision for Doubtful Debts	(54,000)	(69,000)
	-----	-----
	80,764	106,799
Other debtors	160,615	167,313
Prepayments and accrued income	935,469	476,498
	-----	-----
	1,176,848	750,610
	=====	=====

15. Creditors : amounts falling due within one year

	2025 £	2024 £
Amounts falling due within one year:		
Bank loans and overdrafts	221,596	221,596
Accruals and deferred income	235,244	277,604
Rent in advance	134,541	139,967
Social security and other taxes	14,098	13,900
	-----	-----
	605,479	653,067
	=====	=====

The amounts secured are £221,596 (2024 - £221,596).

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Creditors : amounts falling due after more than one year

	2025 £	2024 £
Bank loans and overdrafts	3,186,865	3,408,459
	<u>3,186,865</u>	<u>3,408,459</u>
	=====	=====

The amounts secured are £3,186,865 (2024 - £3,408,459).

Housing Loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest between 4.1% and 7%, with expiry between 2027 and 2040 in instalments due as follows:-

Loan Repayment	2025 £	2024 £
Within one year	221,596	221,596
Between one and two years	223,464	223,464
Between two and five years	1,315,491	681,253
In five years or more	1,647,911	2,503,741
	<u>3,408,461</u>	<u>3,630,054</u>
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Share capital

	2025 No.	2024 No.
At 1 April	59	69
Issued during the year	5	-
Cancelled during the year	(9)	(10)
	-----	-----
At 31 March	55	59
	=====	=====

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.

18. Reserves

Income and expenditure reserve

The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments.

19. Deferred Income

	2025 £	2024 £
Social housing grant		
Balance as at 1 st April	3,765,058	3,231,119
Additions in year	1,220,347	704,113
Amortised in year	(71,901)	(58,918)
Disposals	-	(111,256)
	-----	-----
As at 31 st March	4,913,504	3,765,058
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. **Related party transactions**

Information about related party transactions and outstanding balances is outlined below:

Members of the Committee are Related Parties of the Association as defined by the Financial Reporting Standard 102

The related party relationships of the members of the Management Committee are summarised as follows:

7 members are tenants of the Association

3 members are factored owners

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

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

Transactions with Governing Body Members were as follows:

Rent Received from Tenants on the Committee	£31,219
---	---------

Factoring Charges received from Owners on the Committee	£1,131
---	--------

At the year end total rent arrears owed by tenant members on the committee were	£nil
---	------

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. **Retirement Benefits**

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 Actuarial 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 in September 2024. This valuation revealed a total deficit of £79.5m. A new Recovery Plan has therefore been put in place, with deficit contributions to re-start from April 2026 for the following four years.

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 legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

For financial years ending on or before 28 February 2019, it has not been possible for the Association to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Association has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme.

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. Retirement Benefits (continued)

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

	2025 £(000's)	2024 £(000's)
Fair value of plan assets	1,598	1,714
Present value of defined benefit obligation	1,831	1,958
	-----	-----
Surplus (deficit) in plan	(233)	(244)
	=====	=====
Unrecognised surplus	-	-
	=====	=====

Reconciliation of the impact of the asset ceiling

	2025 £(000's)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

Reconciliation of opening and closing balances of the defined benefit obligation

	2025 £(000's)
Defined benefit obligation at start of period	1,958
Current service cost	-
Expenses	3
Interest expense	94
Contributions by plan participants	-
Actuarial losses (gains) due to scheme experience	(3)
Actuarial losses (gains) due to changes in demographic assumptions	-
Actuarial losses (gains) due to changes in financial assumptions	(176)
Benefits paid and expenses	(45)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-

Defined benefit obligation at end of period	1,831
	=====

CATHCART & DISTRICT ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. Retirement Benefits (continued)

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

	2025 £(000's)
Fair value of plan assets at start of period	1,714
Interest income	82
Experience on plan assets (excluding in interest income) - gain (loss)	(156)
Contributions by the employer	3
Contributions by plan participants	-
Benefits paid and expenses	(45)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rates changes	-

Fair value of plan assets at end of period	1,598
	=====

The actual return on the plan assets (including any changes in share of assets over the period from 31 March 2024 to 31 March 2025 was (£74,000).

Defined benefit costs recognised in statement of comprehensive income (SOCl)

	2025 £(000's)
Current service cost	-
Expenses	3
Net interest expense	12
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-

Defined benefit costs recognised in statement of comprehensive income (SoCI)	15
	=====

Defined benefit costs recognised in other comprehensive income

	2025 £(000's)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(156)
Experience gains and losses arising on the plan liabilities - gain (loss)	3
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	176
Total actuarial gains and losses (before restriction due to some of the surplus not being recognised) gains (loss)	23
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-

Total amount recognised in other comprehensive income - gain (loss)	23
	=====

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. Retirement Benefits (continued)

ASSETS

	2025 £(000's)	2024 £(000's)
Global Equity	185	197
Absolute Return	-	77
Distressed Opportunities	-	63
Credit Relative Value	-	60
Alternative Risk Premia	-	62
Liquid Alternatives	294	-
Emerging Markets Debt	-	30
Risk Sharing	-	103
Insurance -Linked Securities	6	11
Property	79	73
Infrastructure	-	164
Private Equity	1	1
Real Assets	191	-
Private Debt	-	69
Opportunistic Illiquid Credit	-	68
Private Credit	199	-
Credit	68	-
Investment Grade Credit	73	-
Cash	9	44
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	1	13
Secured Income	37	57
Liability Driven Investment	450	621
Currency Hedging	3	(1)
Net Current Assets	2	2
	-----	-----
Total Assets	1,598	1,714
	=====	=====

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. Retirement Benefits (continued)

KEY ASSUMPTIONS

	2025	2024
	% per annum	% per annum
Discount Rate	5.73	4.87
Inflation (RPI)	3.13	3.19
Inflation (CPI)	2.76	2.76
Salary Growth	3.76	3.76
Allowance for commutation of pension for cash at retirement	75% max allow	75% max allow

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

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

22. Legislative Provisions

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014.

23. Housing Stock

The number of units of accommodation in management at the year end was:-

	2025 No.	2024 No.
General needs - New Build	33	33
- Rehabilitation	533	524
Unimproved	29	29
	595	586
	=====	=====

Reduction of one unit relates to two properties being amalgamated into one.

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Operating Leases

	2025 £	2024 £
<u>Expiry Date</u>		
Within 1 year	12,441	12,441
Between 2-5 years	787	1,836
Over 5 years	-	-
	-----	-----
	13,228	14,277
	=====	=====

25. Cash flow from operating activities

	2025 £	2024 £
Surplus / (deficit) for the year	529,720	238,638
Depreciation and impairment of tangible fixed assets	461,511	426,145
Release of Deferred grant	(71,901)	(60,636)
(Increase) / decrease in stock	-	-
(Increase) / decrease in trade and other debtors	(426,236)	(238,488)
Increase / (decrease) in trade and other creditors	(47,587)	(82,823)
Shares cancelled	(9)	(10)
Net pension liability movement excluding actuarial	-	-
Adjustment for non-cash items	-	-
	-----	-----
Net cash flow from operating activities	445,498	282,826
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. Reconciliation of net cash flow to movement in net debt	2025 £	2024 £
Increase/(decrease) in cash	(314,593)	322,787
Cashflow from change in net debt	221,595	220,004
	-----	-----
	(92,998)	542,791
Net debt at 1 st April 2024	(2,234,906)	(2,777,697)
	-----	-----
Net debt at 31 st March 2025	(2,237,904)	(2,234,906)
	=====	=====

Analysis of changes in net debt

	At 1 st April 2024 £	Cashflows £	Other changes £	At 31 st March 2025 £
Cash and cash equivalents	1,395,148	(314,593)	-	1,080,555
Bank overdrafts	-	-	-	-
	-----	-----	-----	-----
	1,395,148	-	-	-
Debt : due within one year	(221,596)	-	-	(221,596)
due after more than one year	(3,408,458)	221,595	-	(3,186,863)
	-----	-----	-----	-----
Net debt	(2,234,906)	(92,998)	-	(2,327,904)
	=====	=====	=====	=====

27. Contingent Liabilities

The Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the SFHA Scheme based on the financial position of the Scheme as at 30 September 2024 (latest valuation). The estimated employer debt for the Association was £567,201. The Association has no intentions of withdrawing from the scheme and consequently no provision has been made in the financial statements.