

**KINGSRIDGE CLEDDANS HOUSING ASSOCIATION
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2013



KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

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KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

ADVISERS AND REGISTERED OFFICE

FOR THE YEAR ENDED 31ST MARCH, 2013

Auditors

Armstrongs, Chartered Accountants
142 West Nile Street
Glasgow
G1 2RQ

Bankers

Bank of Scotland
19 Roman Road
Bearsden
Glasgow
G61 2SP

Legal advisors

T C Young
Solicitors
7 West George Street
Glasgow
G2 1BA

Registered Office

KCEDG Commercial Centre
Unit 2/3
Ladyloan Place
Glasgow
G15 8LB

Registration particulars

Registered Housing Association number:	HCB 234
Charities registration number:	CR60589
Financial Services Authority	Industrial and Provident Societies Act 1965 Registration number: 2378R(S)

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31ST MARCH, 2013

The Committee of Management present their report and the audited financial statements for the year ended 31st March 2013.

Principal activities

The principal activity of the Association as a landlord and developer is the provision of good quality homes at affordable rents and prices for people in housing need.

Review of business

As the financial statements demonstrate, the Association's financial position indicates net assets of £1,842,400 (2012 - £1,558,142). The surplus for the year was £284,259 (2012 - £220,231).

During the year to 31st March 2013 the Association made good progress in a number of key areas of business activity.

The Association set performance targets at the start of the financial year and reported against nineteen performance indicators covering maintenance, housing management and governance. We achieved or exceeded targets in thirteen performance indicators.

Planned/cyclical maintenance was carried out in accordance with our life cycle programme and the Association recognises the importance of effective asset management in order to protect previous investment and to prolong the life expectancy of our housing stock.

Planned maintenance carried out during the year included external painting works contracts at Inchfad Drive Phases 1 & 3 and Cleddans Court.

Our five year and thirty year budget projections continue to demonstrate our medium/long term viability under reasonable assumptions. The Association is aware of the need for effective financial performance based on sound management practice. Our financial cost ratios are comparable with or better than peer group and national medians.

The Association were also actively involved in partnership working with the other RSL's in Drumchapel to deliver wider role projects to tackle issues such as addictions and financial inclusion.

The Association celebrated its 20th anniversary as a landlord in 2012 and to commemorate the occasion we held a series of events during the year which included:

- Monthly prize draws with prizes presented to two tenants each month
- Hosting a five a side football tournament
- Presenting all of our tenants with a small commemorative gift
- Organising a celebratory event to commemorate the occasion
- Organising a Christmas dinner for all residents over sixty

The Association strive for continuous improvement and ongoing review of key business objectives remains an ongoing priority.

Changes in fixed assets

Details of changes in fixed assets are set out in note 10.

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31ST MARCH, 2013/Cont...

The Committee of Management and Executive Officer

Executive Officer

J. Docherty

Committee of Management

E. Shaw (Chairperson)
J. Barclay (Vice Chairperson)
S. McLeod (Secretary)
E. Doherty (Treasurer)
C. Wards
K. McLerie
R. Wards
C. McManus
M. Wylie (appointed 19th February 2013)
I. Edgely (resigned 20th August 2012)

At the Annual General Meeting one third of all serving Committee members will retire from office and may stand for re-election if eligible.

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 a Director, acts as an executive within the authority delegated by the Committee.

Statement of 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 these financial statements, the Committee is required to:-

- . Select suitable accounting policies and then apply them consistently;
- . Make judgements 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;
- . Prepare a statement on internal financial control.

The 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 it to ensure that the financial statements comply with the requirements of the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements - April 2012. It is also responsible for safeguarding the assets of the Association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31ST MARCH, 2013/Cont...

Corporate governance

The Association has complied throughout the accounting period with the Code of Best Practice published by the Cadbury Committee on the Financial Aspects of Corporate Governance in 1992.

In accordance with the requirements of the Scottish Housing Regulator, the auditors have confirmed that they consider this statement appropriately reflects the Association's compliance with those paragraphs of the Code of Best Practice required to be reviewed by them. The auditors have also confirmed that, in their opinion, with respect to the Statement on Internal Financial Control below, the Management Committee have provided the disclosures required by Paragraph 4.5 of the Code of Best Practice as supplemented by the related guidance for Management Committee and such statement is not inconsistent with the information of which they were aware from their audit work on the Financial Statements.

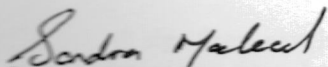
Statement as to disclosure of information to auditors

So far as the Committee are aware, there is no relevant audit information of which the Association's auditors are unaware, and each Committee member has taken all the steps that he or she ought to have taken as a Committee member in order to make himself or herself aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

Auditors

A resolution to re-appoint the auditors, Armstrongs, Chartered Accountants, will be proposed at the Annual General Meeting.

By order of the Committee


Secretary

Dated : 25/6/13

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

COMMITTEE STATEMENT ON THE ASSOCIATION'S

SYSTEM OF INTERNAL FINANCIAL CONTROL

FOR THE YEAR ENDED 31ST MARCH, 2013

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

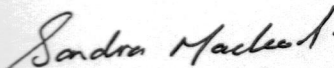
- The reliability of financial information used within the Association or for publication;
- The maintenance of proper accounting records;
- The safeguarding of assets (against unauthorised use or disposition).

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

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- Forecasts and budgets are prepared regularly which allow the Committee and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term;
- Regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Committee members and others;
- The Committee review reports from management, from directors, staff and from the external and internal 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;
- Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Committee have reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31st March 2013 and until the below date. No weaknesses were found in internal financial controls, which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the Auditor's Report on the financial statements.

By order of the Committee


Secretary

Dated : 25/6/13

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED
REPORT OF THE INDEPENDENT AUDITORS ON THE COMMITTEE
STATEMENT ON THE ASSOCIATION'S SYSTEM OF INTERNAL FINANCIAL CONTROL
FOR THE YEAR ENDED 31ST MARCH, 2013

Corporate governance

In addition to our audit of the financial statements, we have reviewed the Committee's statement concerning the Association's compliance with the information required by the section on internal financial control within SFHA's publication "Raising Standards in Housing".

Basis of opinion

We carried out our review having regard to the Bulletin "Disclosures Relating to Corporate Governance" 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 has provided the disclosures required by the section on internal financial control within SFHA's publication "Raising Standards in Housing" 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 Committee members, directors and officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the section on internal financial control within SFHA's publication "Raising Standards in Housing".



Adam Armstrong, LLB, CA, (Senior Statutory Auditor),
for and on behalf of Armstrongs,
Statutory Auditor,
Chartered Accountants,
Victoria Chambers,
142, West Nile Street,
Glasgow,
G1 2RQ.

Date: 5th August 2013

**REPORT OF THE INDEPENDENT AUDITORS TO
THE MEMBERS OF KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED**

We have audited the financial statements of Kingsridge Cleddans Housing Association Limited for the year ended 31st March 2013 which comprise the Income and Expenditure Account, the Statement of Realised Gains and Losses, the Balance Sheet and the related notes one to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and the Registered Social Landlords Determination of Accounting Requirements - April 2012.

This report is made solely to the Association's members, as a body, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968, and to the charity's trustees as a body, in accordance with Section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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, the Association's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Committee and Auditors

As explained more fully in the Statement of Committee's Responsibilities set out on page three, the Committee are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Committee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Committee to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

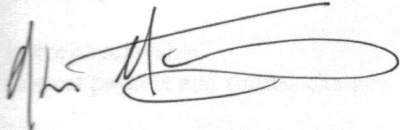
- give a true and fair view of the state of the Association's affairs as at 31st March 2013 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 1, the Housing (Scotland) Act 2010, the Registered Social Landlords Determination of Accounting Requirements - April 2012, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**REPORT OF THE INDEPENDENT AUDITORS TO
THE MEMBERS OF KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts, 1965 to 2002, or the Charity Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the information given in the Report of the Management Committee is inconsistent in any material respect with the financial statements; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.



Adam Armstrong, LLB, CA, (Senior Statutory Auditor),
for and on behalf of Armstrongs,
Statutory Auditor,
Chartered Accountants,
Victoria Chambers,
142, West Nile Street,
Glasgow,
G1 2RQ.

Dated: 5th August 2013

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2013

	Notes	2013	2012
		£	£
Turnover	2	983,529	952,175
Operating costs	2	670,007	683,269
Operating surplus	2	<u>313,522</u>	<u>268,906</u>
Interest receivable		29,012	17,452
Interest payable and similar charges	6	(58,275)	(66,127)
Surplus on ordinary activities		<u>284,259</u>	<u>220,231</u>

The results for the year relate wholly to continuing activities.

There is no difference between the surplus on ordinary activities for the year and retained surplus for each year stated above, and their historical cost equivalents.

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

	2013	2012
	£	£
Surplus for the financial year	284,259	220,231
Prior year adjustment	-	6,468
Total gains and losses recognised since last financial statements	<u>284,259</u>	<u>226,699</u>

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

BALANCE SHEET

AS AT 31ST MARCH, 2013

	Notes	2013 £	2012 £
Tangible fixed assets			
Housing properties (net of depreciation)	10(a)	19,643,270	19,721,229
Less : grants	10(a)	<u>16,295,969</u>	<u>16,278,137</u>
		3,347,301	3,443,092
Other	10(b)	<u>11,426</u>	<u>7,581</u>
		<u>3,358,727</u>	<u>3,450,673</u>
Current assets			
Debtors	11	73,505	44,157
Cash at bank and in hand		<u>1,356,834</u>	<u>1,147,301</u>
		1,430,339	1,191,458
Creditors : amounts falling due within one year	12	(334,072)	(305,989)
Net current assets		<u>1,096,267</u>	<u>885,469</u>
Total assets less current liabilities		4,454,994	4,336,142
Creditors : amounts falling due after more than one year	13	(2,612,594)	(2,778,000)
Net assets		<u>1,842,400</u>	<u>1,558,142</u>
Capital and reserves			
Share capital	14	91	93
Designated reserves	15	-	1,049,934
Accumulated surplus	23	<u>1,842,309</u>	<u>508,115</u>
		<u>1,842,400</u>	<u>1,558,142</u>

These financial statements were approved by the Committee on 25/6/13 and signed on their behalf by:

Chairman *E. Shaw*

Committee Member *John W Barclay*

Secretary *Sandra Macdonald*

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

1. Principal accounting policies

The Association is incorporated under the Industrial and Provident Societies Act 1965 and is registered by the Financial Services Authority under number 2378R(S).

The financial statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting for Registered Social Landlords (2010), and on the historical cost basis. They also comply with the Registered Social Landlords Determination of Accounting Requirements - April 2012. A summary of the more important accounting policies is set out below.

Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from the Scottish Housing Regulator, local authorities and other agencies.

Housing properties

Housing Properties are stated at cost less social housing and other public grants and less accumulated depreciation. The Association adopted component accounting during the financial year. Properties other than heritable land are depreciated in accordance with FRS15 at rates calculated to reduce the net book value of each component of the property to its residual value on a straight line basis, over the expected remaining life of the component. The estimated remaining lives are reviewed on a regular basis.

Component (Useful Economic Life)

Structure (50 years)
Windows (17 to 28 years)
Central heating boilers (14 to 29 years)
Radiators and pipework (30 years)
Kitchens (17 to 22 years)
Bathrooms (10 to 28 years)
Rewiring (17 to 27 years)

Reviews for impairment of housing properties are carried out regularly and any impairment in an income-generating unit is recognised by a charge to the Income and Expenditure Account. Impairment is recognised where the carrying value of an income-generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows from these units. Impairment of assets would be recognised in the Income and Expenditure Account.

The Statement of Recommended Practice 2008 states that the disposal of shared ownership properties first tranche sales should be included in turnover at completion with the balance being classified as fixed assets. The Association believes that the effect on their retained surplus of applying this practice to previous years would be negligible and have not carried out this exercise.

Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation. Depreciation is charged by equal instalments commencing with the year of acquisition at rates estimated to write off costs less any residual value over the expected economic useful lives at annual rates :-

Furniture and fittings - 10% per annum
Office equipment - 25% per annum

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KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

1. Principal accounting policies/Cont...

Social Housing Grant and other grants

Where developments have been financed wholly or partly by Social Housing Grant or other capital grant, the cost of those developments have been reduced by the amount of the grant receivable. The amount of the grants receivable is shown separately on the Balance Sheet.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account 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.

Capitalisation of interest

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

Development administration costs

Development costs incremental to the other costs of the Association have been capitalised.

Sale of housing properties

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

The surplus or deficit is shown on the face of the Income and Expenditure Account.

Operating Leases

Rentals paid under operating leases are charged to the profit and loss account in the period to which they relate.

Cyclical and planned maintenance

The costs of cyclical and planned maintenance are charged to the Income and Expenditure Account in the year in which they are incurred.

Designated reserves

In previous years the Association designated part of its surplus to meet future repair and maintenance obligations. Because of the introduction of component accounting, whereby the replacement of components is now capitalised, these reserves have been written back to the revenue reserve.

Pension costs

The Association participates in the centralised Scottish Housing Associations' defined benefit pension scheme and retirement benefits to employees 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.

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013/Cont...

2. Particulars of turnover, operating costs and operating surpluses/(deficits)

	Turnover £	2013 Operating costs £	Operating surplus £
Social lettings	982,821	664,405	318,416
Other activities	708	5,602	(4,894)
Total	<u>983,529</u>	<u>670,007</u>	<u>313,522</u>

	Turnover £	2012 Operating costs £	Operating surplus £
Social lettings	943,931	664,413	279,518
Other activities	8,244	18,856	(10,612)
Total	<u>952,175</u>	<u>683,269</u>	<u>268,906</u>

3. Particulars of income and expenditure from lettings

	General needs £	Supported accomm £	Shared ownership £	2013 Total £	2012 Total £
Income from lettings					
Rent receivable net of identifiable service charges	914,174	12,268	21,906	948,348	904,871
Service charges	10,607	27,460	-	38,067	41,734
Gross income from rents and service charges	<u>924,781</u>	<u>39,728</u>	<u>21,906</u>	<u>986,415</u>	<u>946,605</u>
Less : voids	(3,594)	-	-	(3,594)	(2,674)
Total turnover from social letting activities	<u>921,187</u>	<u>39,728</u>	<u>21,906</u>	<u>982,821</u>	<u>943,931</u>
Expenditure on lettings					
Management and maintenance admin costs	322,833	4,332	7,736	334,901	314,794
Reactive maintenance	102,027	-	-	102,027	108,230
Planned maintenance	90,737	-	-	90,737	105,451
Bad debts - rents and service charges	2,882	-	-	2,882	7,014
Depreciation of social housing property	93,099	1,129	1,563	95,791	87,190
Service charges	10,607	27,460	-	38,067	41,734
Total expenditure on lettings	<u>622,185</u>	<u>32,921</u>	<u>9,299</u>	<u>664,405</u>	<u>664,413</u>
Operating surplus for social lettings for 2013	<u>299,002</u>	<u>6,807</u>	<u>12,607</u>	<u>318,416</u>	<u>279,518</u>
Operating surplus for social lettings for 2012	<u>261,212</u>	<u>6,239</u>	<u>12,067</u>	<u>279,518</u>	

No service charges were receivable on housing accommodation not eligible for housing benefit (2012 - £nil).

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013/Cont...

4. Particulars of turnover, operating costs and surpluses from other activities

	Ministers' Grants £	Other Income £	Total Turnover £	Operating Costs £	2013 Total £	2012 Total £
Factoring services	-	420	420	420	-	-
Wider role	288	-	288	5,182	(4,894)	(10,612)
Total for other activities for 2013	<u>288</u>	<u>420</u>	<u>708</u>	<u>5,602</u>	<u>(4,894)</u>	<u>(10,612)</u>
Total for other activities for 2012	<u>7,824</u>	<u>420</u>	<u>8,244</u>	<u>18,856</u>	<u>(10,612)</u>	

5. Operating surplus

	2013 £	2012 £
Operating surplus is stated after charging:-		
Operating lease	11,478	11,785
Depreciation/loss on sale - tangible other fixed assets	3,991	3,305
Depreciation - tangible land & buildings fixed assets	95,791	87,190
Auditors' remuneration (excl. VAT)	3,875	3,760
Bad debts	<u>2,882</u>	<u>7,014</u>

6. Interest payable and similar charges

On property loans payable by instalments	<u>58,275</u>	<u>66,127</u>
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7. Directors emoluments

The remuneration paid to the directors (defined as the Committee of Management and chief executive of Kingsridge Cleddans Housing Association Limited) was:-

	2013 £	2012 £
Total emoluments (including pension contributions and benefits in kind)	<u>53,835</u>	<u>52,503</u>
Total emoluments (excluding pension contributions) to the highest paid director amounted to	<u>49,134</u>	<u>47,916</u>
Total expenses reimbursed to the Committee in so far as not chargeable to United Kingdom income tax	<u>230</u>	<u>266</u>

Contributions totalling £4,701 (2012 - £4,587) were made to the pension scheme of the director. His pension arrangements are on the same basis as other members of staff, with no enhanced or special terms.

None of the committee members received any remuneration during the year.

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013/Cont...

8. Employee information

	2013	2012
The average full time equivalent of persons employed during the year was:-	<u>5</u>	<u>5</u>
	£	£
Staff costs (including Executive Emoluments)		
Wages and Salaries	165,034	159,638
Social Security Costs	13,606	12,904
Pension Contributions	<u>30,366</u>	<u>29,319</u>
	<u>209,006</u>	<u>201,861</u>

9. Taxation

The Association was recognised as a charity with effect from 15th May 2007 and as such is no longer subject to taxation.

10. Tangible Fixed Assets

a) Housing properties

	Housing property held for letting £	Shared ownership held for letting £	Total £
Cost			
At 01.04.12	19,583,302	976,599	20,559,901
Additions	17,832	-	17,832
At 31.03.13	<u>19,601,134</u>	<u>976,599</u>	<u>20,577,733</u>
Housing Association and capital grants			
At 01.04.12	15,632,823	645,314	16,278,137
Received	17,832	-	17,832
At 31.03.13	<u>15,650,655</u>	<u>645,314</u>	<u>16,295,969</u>
Depreciation			
At 01.04.12	822,989	15,683	838,672
Charge for year	94,228	1,563	95,791
At 31.03.13	<u>917,217</u>	<u>17,246</u>	<u>934,463</u>
Net book value at 31.03.13	<u>3,033,262</u>	<u>314,039</u>	<u>3,347,301</u>
Net book value at 31.03.12	<u>3,127,490</u>	<u>315,602</u>	<u>3,443,092</u>

All properties are freehold.

10. /Cont...

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013/Cont...

b) Other fixed assets

	Furniture & fittings £	Office equipment £	Total £
Cost			
At 01.04.12	36,392	28,202	64,594
Additions	4,485	3,351	7,836
Disposals	-	(5,063)	(5,063)
At 31.03.13	<u>40,877</u>	<u>26,490</u>	<u>67,367</u>
Depreciation			
At 01.04.12	32,343	24,670	57,013
Charge for year	1,168	2,823	3,991
Disposals	-	(5,063)	(5,063)
At 31.03.13	<u>33,511</u>	<u>22,430</u>	<u>55,941</u>
Net book value at 31.03.13	<u>7,366</u>	<u>4,060</u>	<u>11,426</u>
Net book value at 31.03.12	<u>4,049</u>	<u>3,532</u>	<u>7,581</u>

11. Debtors

	2013 £	2012 £
Rental arrears	32,849	20,525
Other debtors and prepayments	40,656	23,632
	<u>73,505</u>	<u>44,157</u>

Housing benefit in the sum of £11,682 (2012 - £9,436) is included within rent arrears. Rental arrears are stated net of a provision for bad debts amounting to £15,034 (2012 - £16,210).

12. Creditors due within one year

	2013 £	2012 £
Current instalments of loans	138,942	131,275
Trade creditors	14,787	19,662
Other creditors	171,205	139,861
Rent in advance	9,138	15,191
	<u>334,072</u>	<u>305,989</u>

/Cont...

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013/Cont...

13. Creditors - amounts falling due after more than one year

	2013 £	2012 £
Loans	<u>2,612,594</u>	<u>2,778,000</u>

Loans (which will mature over a period of thirteen to twenty one years) are secured by specific charges on the Association properties. They are repayable at rates varying from 0.95% to 6.54% of interest in instalments due as follows :-

	2013 £	2012 £
Due within one year	<u>138,942</u>	<u>131,275</u>
Between one and two years	141,562	134,529
Between two and five years	441,459	424,335
In five years or more	<u>2,029,573</u>	<u>2,219,136</u>
	<u>2,612,594</u>	<u>2,778,000</u>

14. Share capital

	2013	2012
Shares of £1 each issued and fully paid		
As at 01.04.12	93	94
Shares issued at par during the year	<u>4</u>	<u>1</u>
	97	95
Shares forfeited	(6)	(2)
As at 31.03.13	<u>91</u>	<u>93</u>

Each shareholder of the Association holds only one share and is entitled to vote at general meetings of the Association. Shares carry no right to dividend or distribution on a winding up. When a shareholder ceases to be a member that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at member meetings.

15. Designated reserves

	Major repairs £	Cyclical maintenance £	Total £
As at 01.04.12	975,733	74,201	1,049,934
Transfer from revenue reserve	(975,733)	(74,201)	(1,049,934)
As at 31.03.13	<u>-</u>	<u>-</u>	<u>-</u>

As explained in note 1, after the introduction of component accounting, replacement components are now capitalised. The designated funds have therefore been written back to the revenue reserve.

Cont...

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013/Cont...

16. Housing Stock

	2013	2012
The number of units of accommodation in management at the year end was :-		
General needs - new build	256	256
- rehabilitation	27	27
Shared ownership	14	14
	<u>297</u>	<u>297</u>

17. Capital Commitments

The Association had no capital commitments at 31st March 2013 (2012 - £nil).

18. Leasing Commitments

At the year end, the annual commitments under operating leases were as follows:

	Land & Buildings	
	2013	2012
	£	£
Expiring between one and five years	<u>11,178</u>	<u>10,853</u>

	Office Equipment	
	2013	2012
	£	£
Expiring between one and five years	<u>746</u>	<u>744</u>

19. Contingent Liabilities

The Association has no known contingent liabilities at 31st March 2013 (2012 - £Nil).

20. Related Party Transactions

All members of the Committee are tenants of the Association. Their transactions with the Association are all done on standard terms as applicable to all tenants and they cannot use their position to their advantage.

Mr John Docherty, Mr John Barclay, Ms Christine Wards and Ms Muriel Wylie are on the Board of Kingsridge Cleddans Economic Development Group. During the year the Association paid rent totalling £11,043 (2012 - £10,853) to that organisation.

21. Pensions

The Association participates in the Scottish Housing Associations' Pension Scheme ('the Scheme'). The Scheme is funded and is contracted-out of the State Pension scheme.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to an individual participating employer 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 FRS17 represents the employer contribution payable.

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

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013/Cont...

21. Pensions/Cont...

The last formal valuation of the Scheme was performed as at 30th September 2009 by a professionally qualified Actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £295 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £160 million, equivalent to a past service funding level of 64.8%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30th September 2011. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £341 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £207 million, equivalent to a past service funding level of 62.2%.

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

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

The Association has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scottish Housing Associations' Pension Scheme based on the financial position of the Scheme as at 30th September 2012. As of this date the estimated employer debt for the Association was £317,866.

22. Legislative Provisions

The Association is incorporated under the Industrial and Provident Societies Act 1965.

23. Reconciliation of movement in accumulated surplus

	2013	2012
	£	£
Revenue reserve b/fwd	508,115	460,588
Surplus for the year	284,259	220,231
Transfer (to)/from designated reserves	1,049,935	(172,704)
	<u>1,842,309</u>	<u>508,115</u>