

**KINGSRIDGE CLEDDANS HOUSING ASSOCIATION
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2010



KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2010

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KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

ADVISERS AND REGISTERED OFFICE

FOR THE YEAR ENDED 31ST MARCH, 2010

Auditors

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

Bankers

Clydesdale Bank plc
124 Drymen Road
Glasgow
G61 3RB

Legal advisors

Messrs T C Young
7 West George Street
Glasgow
G2 1BH

Registered Office

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, 2010.

The Committee of Management present their report and the audited financial statements for the year ended 31st March 2010.

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 £1,129,720 (2009 - £1,004,976). The surplus for the year was £124,744 (2009 - £30,909) and transfers to designated reserves totalled £93,557.

During the year to 31st March 2010 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 thirty performance indicators covering maintenance, housing management and governance. We achieved or exceeded targets in twenty nine performance indicators (96.7%). We did not meet targets and failed to improve on performance in one key performance indicator (3.3%).

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.

We undertook two major repairs contracts during the year by replacing 24 kitchens at 87-133 Inchfad Drive at a cost of £57,600 and renewing controlled entry doors and systems at 37-45 Lochgoin Avenue at a cost of £31,354.

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 preparing a Drumchapel wider role strategy and evaluation funding plan in partnership with other RSLs in the area. The strategy identified project priorities with a view to delivering projects to tackle issues such as addictions, financial awareness, youth activities, employment and community safety.

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

Performance during the year was generally good with the majority of targets met or exceeded. An Arrears Management Improvement Plan was submitted to the Scottish Housing Regulator in November 2009 and at 31st March our total rent arrears had reduced to 5.22% (9.15% at 31/3/09).

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, 2010/Cont...

The Committee of Management and Executive Officer

The Committee of Management and Executive Officer of the Association are as follows:-

Executive Officer

J. Docherty

Committee of Management

S. MacLeod	(Chairperson)	(Re-elected 24/8/09)	
J. Barclay	(Vice Chairperson)	(Re-elected 24/8/09)	
E. Shaw	(Secretary)	(Re-elected 24/8/09)	
I. Edgely	(Treasurer)	(Re-elected 24/8/09)	
E. McKenna		(Re-elected 24/8/09)	
F. Loftus		(Re-elected 24/8/09	Resigned 26/1/10)
C. Wards		(Re-elected 24/8/09)	
K. McLerie		(Elected 24/8/09)	
M. McGeechan		(Resigned 24/8/09)	

At the Annual General Meeting one third of all serving members of the Committee 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 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;
- . 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 2001 and the Registered Social Landlords (Accounting Requirements) (Scotland) Order 2007. 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, 2010/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 are 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 : 25/05/2010

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

COMMITTEE STATEMENT ON THE ASSOCIATION'S

SYSTEM OF INTERNAL FINANCIAL CONTROL

FOR THE YEAR ENDED 31ST MARCH, 2010

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 2010 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 : 25/05/2010

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, 2010

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".



Armstrongs,
Statutory Auditor,
Chartered Accountants,
Victoria Chambers,
142, West Nile Street,
Glasgow.
G1 2RQ.

Date : 22nd July 2010

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 2010 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Association's members, as a body, in accordance with Industrial and Provident Societies Act 1965. 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.

Respective responsibilities of directors and auditors

The Committee's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Committee's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the relevant legislation. We also report to you if, in our opinion, a satisfactory system of control over transactions has not been maintained if the Association has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the information contained in the Report of the Committee and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

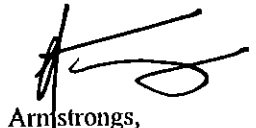
Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

It is our opinion that the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Association as at 31st March 2010 and of its surplus for the year then ended, have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 1, the Housing (Scotland) Act 2001 and the Registered Social Landlords (Accounting Requirements) (Scotland) Order 2007 and that the information given in the Report of the Committee is consistent with the financial statements.



Armstrongs,
Statutory Auditor,
Chartered Accountants,
Victoria Chambers,
142, West Nile Street,
Glasgow.
G1 2RQ.

Dated : 22nd July 2010

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2010

	Notes	2010	2009
		£	£
Turnover	2	882,181	862,532
Operating costs	2	697,804	674,221
Operating surplus	2	<u>184,377</u>	<u>188,311</u>
Interest receivable		13,372	34,341
Interest payable and similar charges	6	(73,005)	(191,743)
Surplus on ordinary activities		<u>124,744</u>	<u>30,909</u>

The results for the year relate wholly to continuing activities.

The Association has no recognised gains and losses other than those included in the surpluses above, and therefore no separate statement of total recognised gains and losses has been prepared.

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.

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

BALANCE SHEET

AS AT 31ST MARCH, 2010


	Notes	2010 £	2009 £
Tangible fixed assets			
Housing properties (net of depreciation)	10(a)	19,900,314	19,960,125
Less : grants	10(a)	<u>16,369,486</u>	<u>16,362,062</u>
		3,530,828	3,598,063
Other	10(b)	<u>9,400</u>	<u>7,664</u>
		<u>3,540,228</u>	<u>3,605,727</u>
Current assets			
Debtors	11	59,014	108,050
Cash at bank and in hand		<u>894,805</u>	<u>782,322</u>
		953,819	890,372
Creditors : amounts falling due within one year	12	(318,636)	(279,674)
Net current assets		<u>635,183</u>	<u>610,698</u>
Total assets less current liabilities		4,175,411	4,216,425
Creditors : amounts falling due after more than one year	13	(3,045,691)	(3,211,449)
Net assets		<u>1,129,720</u>	<u>1,004,976</u>
Capital and reserves			
Share capital	14	93	93
Designated reserves	15	725,937	632,380
Accumulated surplus	23	<u>403,690</u>	<u>372,503</u>
		<u>1,129,720</u>	<u>1,004,976</u>

These financial statements were approved by the Committee on 25/05/2010

and signed on their behalf by:

 Chairman

 Committee Member

 Secretary

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2010

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 (2008), and on the historical cost basis. They also comply with the Registered Social Landlords (Accounting Requirements) (Scotland) Order 2007. 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. Depreciation is charged on a straight line basis over the expected economic useful lives of the properties of fifty years.

Improvements are capitalised where these result in an enhancement of the economic benefits of the property. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property. Works to existing properties which fail to meet the above criteria are charged to the Income and Expenditure Account.

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

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.

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2010

1. Principal accounting policies/Cont...

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

The Association has designated part of its long term obligations.

- * The cyclical maintenance reserve has been designated to meet future repair and maintenance obligations which are cyclical in nature. These are carried out in accordance with a planned programme of works.
- * The major repairs reserve is based on the Association's liability to maintain housing properties in a state of repair which at least maintains their residual values in prices prevailing at the time of acquisition and construction.

Pension costs

The Association participates in the centralised SFHA 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, 2010/Cont...

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

	Turnover £	2010 Operating costs £	Operating surplus £
Social lettings	878,761	688,602	190,159
Other activities	3,420	9,202	(5,782)
Total	<u>882,181</u>	<u>697,804</u>	<u>184,377</u>
		2009	
	Turnover £	Operating costs £	Operating surplus £
Social lettings	846,689	654,830	191,859
Other activities	15,843	19,391	(3,548)
Total	<u>862,532</u>	<u>674,221</u>	<u>188,311</u>

3. Particulars of income and expenditure from lettings

	General Needs £	Supported Accommodation £	Shared ownership £	2010 Total £	2009 Total £
Income from lettings					
Rent receivable net of identifiable service charges	812,978	10,508	19,457	842,943	819,226
Service charges	10,123	28,996	-	39,119	36,904
Gross income from rents and service charges	<u>823,101</u>	<u>39,504</u>	<u>19,457</u>	<u>882,062</u>	<u>856,130</u>
Less : voids	(3,301)	-	-	(3,301)	(9,441)
Total turnover from social letting activities	<u>819,800</u>	<u>39,504</u>	<u>19,457</u>	<u>878,761</u>	<u>846,689</u>
Expenditure on lettings					
Management and maintenance admin costs	272,766	3,756	4,211	280,733	294,074
Reactive maintenance	72,197	1,637	-	73,834	91,624
Planned maintenance	208,336	-	-	208,336	131,752
Bad debts - rents and service charges	16,580	-	-	16,580	30,476
Depreciation of social housing	67,501	936	1,563	70,000	70,000
Service charges	10,123	28,996	-	39,119	36,904
Total expenditure on lettings	<u>647,503</u>	<u>35,325</u>	<u>5,774</u>	<u>688,602</u>	<u>654,830</u>
Operating surplus for social lettings for 2010	<u>172,297</u>	<u>4,179</u>	<u>13,683</u>	<u>190,159</u>	<u>191,859</u>
Operating surplus for social lettings for 2009	<u>175,486</u>	<u>3,456</u>	<u>12,917</u>	<u>191,859</u>	

No service charges were receivable on housing accommodation not eligible for housing benefit (2009 - £nil).

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2010/Cont...

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

	Scottish Ministers' Grants £	Other Income £	Total Turnover £	Operating Costs £	2010 Total £	2009 Total £
Factoring services	-	420	420	325	95	420
Wider role	3,000	-	3,000	8,877	(5,877)	(3,968)
Total for other activities for 2010	<u>3,000</u>	<u>420</u>	<u>3,420</u>	<u>9,202</u>	<u>(5,782)</u>	<u>(3,548)</u>
Total for other activities for 2009	<u>10,000</u>	<u>5,843</u>	<u>15,843</u>	<u>19,391</u>	<u>(3,548)</u>	

5. Operating surplus

	2010 £	2009 £
Operating surplus is stated after charging:-		
Operating leases	10,153	9,995
Depreciation - tangible other fixed assets	3,356	3,201
Depreciation - tangible land & buildings fixed assets	70,000	70,000
Auditors' remuneration (excl. VAT)	3,480	3,400
Bad debts	<u>16,580</u>	<u>30,476</u>

6. Interest payable and similar charges

On property loans payable by instalments	<u>73,005</u>	<u>191,743</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:-

	2010 £	2009 £
Total emoluments (including pension contributions and benefits in kind)	<u>50,931</u>	<u>52,403</u>
Total Emoluments (excluding pension contributions) to the highest paid director amounted to	<u>46,189</u>	<u>45,993</u>
Total expenses reimbursed to the Committee in so far as not chargeable to United Kingdom income tax	<u>484</u>	<u>210</u>

Contributions totalling £4,742 (2009 - £6,410) 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, 2010/Cont...

8. Employee information	2010	2009
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	149,937	152,389
Social Security Costs	12,152	14,986
Pension Contributions	<u>17,909</u>	<u>18,847</u>
	<u>179,998</u>	<u>186,222</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 01.04.09	19,442,771	976,599	20,419,370
Additions	10,189	-	10,189
At 31.03.10	<u>19,452,960</u>	<u>976,599</u>	<u>20,429,559</u>
Housing Association and capital grants			
At 01.04.09	15,716,748	645,314	16,362,062
Received	7,424	-	7,424
At 31.03.10	<u>15,724,172</u>	<u>645,314</u>	<u>16,369,486</u>
Depreciation			
At 01.04.09	448,251	10,994	459,245
Charge for year	68,437	1,563	70,000
At 31.03.10	<u>516,688</u>	<u>12,557</u>	<u>529,245</u>
Net book value at 31.03.10	<u>3,212,100</u>	<u>318,728</u>	<u>3,530,828</u>
Net book value at 31.03.09	<u>3,277,772</u>	<u>320,291</u>	<u>3,598,063</u>

Development administration costs capitalised amounted to £3,440, for which Housing Association Grants amounting to £675 were received in the year.

All properties are freehold.

10. /Cont...

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2010/Cont...

b) Other fixed assets

	Furniture & fittings £	Office equipment £	Total £
Cost			
At 01.04.09	34,988	25,967	60,955
Additions	209	5,020	5,229
Disposals	(227)	(273)	(500)
At 31.03.10	<u>34,970</u>	<u>30,714</u>	<u>65,684</u>
Depreciation			
At 01.04.09	30,298	22,993	53,291
Charge for year	826	2,530	3,356
Disposals	(91)	(272)	(363)
At 31.03.10	<u>31,033</u>	<u>25,251</u>	<u>56,284</u>
Net book value at 31.03.10	<u>3,937</u>	<u>5,463</u>	<u>9,400</u>
Net book value at 31.03.09	<u>4,690</u>	<u>2,974</u>	<u>7,664</u>

11. Debtors

	2010 £	2009 £
Rental arrears	27,134	53,800
Development funding receivable	-	5,570
Other debtors and prepayments	31,880	48,680
	<u>59,014</u>	<u>108,050</u>

Housing benefit in the sum of £6,175 (2009 - £10,788) is included within rent arrears. Rental arrears are stated net of a provision for bad debts amounting to £17,333 (2009 - £23,491).

12. Creditors due within one year

	2010 £	2009 £
Current instalments of loans	147,937	121,243
Trade creditors	24,391	21,664
Other creditors	134,058	121,429
Rent in advance	12,250	15,338
	<u>318,636</u>	<u>279,674</u>

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KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2010/Cont...

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

	2010	2009
	£	£
Loans	<u>3,045,691</u>	<u>3,211,449</u>

Loans are secured by specific charges on the Association properties. They are repayable at rates varying from 1.045% to 6.54% of interest in instalments due as follows (which will mature over a period of fourteen to twenty two years) :-

	2010	2009
	£	£
Due within one year	<u>147,937</u>	<u>121,243</u>
Between one and two years	150,535	129,982
Between two and five years	468,154	414,986
In five years or more	<u>2,427,002</u>	<u>2,666,481</u>
	<u>3,045,691</u>	<u>3,211,449</u>

14. Share capital

	2010	2009
Shares of £1 each issued and fully paid		
As at 01.04.09	93	88
Shares issued at par during the year	<u>1</u>	<u>7</u>
	94	95
Shares forfeited	(1)	(2)
As at 31.03.10	<u>93</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 01.04.09	558,179	74,201	632,380
Transfer from revenue reserve	93,557	-	93,557
As at 31.03.10	<u>651,736</u>	<u>74,201</u>	<u>725,937</u>

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KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2010/Cont...

21. Pensions/Cont...

The last formal valuation of the scheme was performed as at 30th September 2006 by a professionally qualified actuary using the "projected unit credit" method. The market value of the scheme's assets at the valuation date was £268million. The valuation revealed a shortfall of assets compared with the value of liabilities of £54 million, equivalent to a past service funding level of 83.4%.

The Scheme Actuary has prepared an actuarial report that provides an approximate update on the funding position of the scheme as at 30th September 2008. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed a decrease in the assets of the scheme to £265 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £149 million, equivalent to a past service funding level of 63.9%. The current triennial formal valuation of the scheme as at 30th September 2009 is being undertaken by a qualified actuary. The results of the valuation will be available in Autumn 2010.

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

The leaving employer's share of the buy-out debt is the proportion of the scheme's liability attributable to employment with the leaving employer compared to the total amount of the scheme's liabilities (relating to employment with all the currently participating 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 performances, 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 SFHA scheme based on the financial position of the scheme as at 30th September 2009. As of that date the estimated employer debt for the Association was £213,245.

22. Legislative Provisions

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

23. Reconciliation of movement in accumulated surplus

	2010	2009
	£	£
Revenue reserve b/fwd	372,503	364,774
Surplus for the year	124,744	30,909
Transfer to designated reserves	(93,557)	(23,180)
	<u>403,690</u>	<u>372,503</u>