

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2020

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2020

CONTENTS	Page
Members of the Management Committee, Executives And Advisers	1
Report of the Management Committee	2 - 5
Report by the Auditors on Corporate Governance Matters	6
Report of the Auditors	7 - 9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Cash Flows	12
Statement of Changes In Equity	13
Notes to the Financial Statements	14 - 27

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED
MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS

For the year ended 31 March 2020

MANAGEMENT COMMITTEE

E Shaw	Chairperson
J Barclay	Vice Chairperson
J Atkins	Treasurer
K McLerie	Secretary
R Wards	
C McManus	
A Morton	
M McGeachin	
D Strain	
C Wards (Resigned 12 August 2019)	
R McDowall (Resigned 12 August 2019)	

EXECUTIVE OFFICERS

J Docherty

REGISTERED OFFICE

KCEDG Commercial Centre
Unit 2/3/6
Ladyloan Place
Glasgow
G15 8LB

EXTERNAL AUDITORS

Chiene + Tait LLP
Chartered Accountants and
Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

BANKERS

Bank of Scotland
19 Roman Road
Glasgow
G61 2SP

SOLICITORS

T C Young
7 West George Street
Glasgow
G2 1BA

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT of the MANAGEMENT COMMITTEE

For the year ended 31 March 2020

The Management Committee presents its report and the Financial Statements for the year ended 31 March 2020.

Legal Status

Kingsridge Cleddans Housing Association Limited is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.2378R(S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC038236.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation.

Review of Business and Future Developments

As the financial statements demonstrate, the Association's financial position indicates net assets of £4,910,318. The surplus for the year was £357,187.

During the year to 31st March 2020 the Association made good progress in key areas of business activity.

We reviewed our Risk Management Strategy and approved/reviewed a range of Policies in Housing Management, Governance and Freedom of Information. We published our Annual Report on the Charter and submitted our first Annual Assurance Statement to the Scottish Housing Regulator in October 2019. We also produced a Governance Framework Action Plan Document which outlined the range, type and frequency of reports that the management committee would receive during the year. We also carried out a governance effectiveness review and undertook a 9 year effectiveness review for 3 long serving committee members.

A comprehensive training programme for our governing body members was delivered in partnership with other Drumchapel Registered Social Landlords (RSL's) to ensure that our management committee will meet the requirements of the Regulatory standards of Governance. Training sessions were delivered by external training consultants, covering a broad range of topics.

We replaced kitchens in 32 properties in Achamore Road/Lochgoin Avenue/Lochgoin Gardens and Ladyloan Avenue in accordance with recommendations made in our stock condition survey report, as components had reached the end of their life cycle. We also carried out Domestic Electrical Installation Periodic Inspections in 135 houses and flats within our Inchfad Phase 1 & 3 and Ladyloan Phase 1 & 2 developments and 27 flats at 37 – 45 Lochgoin Avenue.

We replaced existing smoke alarms in 136 properties and installed new interlinked smoke alarms, heat detectors and CO alarms in order to comply with new fire safety legislation.

We carried out external painting contract at Ladyloan Avenue Phase 1 & 2, 37 – 45 Lochgoin Avenue and Achamore Road/Lochgoin Gardens.

We carried out an Internal Audit in Health and Safety in order to assess our compliance with legislation, our current policies and best practice.

The Associations Auditor, Armstrong's Chartered Accountants advised that they did not want to be considered for reappointment for financial year 2020 – 2021. We undertook a comprehensive tendering exercise in order to appoint a suitably experienced and qualified auditor to provide external audit services to the Association. We appointed Chiene + Tait LLP in September 2019 for a period of up to 3 years from April 2020 which will be subject to a one year review in order to consider the company's performance across several areas. An interim audit was carried out in February 2020.

The UK Government put emergency measures in place in March 2020 to limit the spread of the coronavirus and our office had to be closed in March 2020. Staff were supplied with laptops to enable home working and we continued to provide an emergency repairs service and had arrangements in place to enable rent payments to be made. This national emergency was unprecedented and involved significant changes to people's personal lives and the economy.

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT of the MANAGEMENT COMMITTEE (Continued)

For the year ended 31 March 2020

Our 5 year and 30 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.

Our Welfare Benefits Advice Service continues to be well used and our adviser had another successful year and assisted a number of residents to claim various financial benefits, resulting in financial gains totalling £79,296.

The Association strive for continuous improvement and ongoing review of key business objectives remains an ongoing priority. A comparison of key performance indicators against national averages highlighted that our performance was comparable or better than national medians.

Management Committee and Executive Officers

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

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

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

Maintenance policies

The Association aims to maintain its properties to a high standard. To this end programmes of cyclical maintenance are carried out and programmes of major repairs to cover for such works. Key identified components are capitalised when replaced.

Treasury management

The Association, as a matter of policy, does not enter into transactions of a speculative nature. The surplus funds of the Association are managed carefully using long established banks or building societies.

Disabled Employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Association may continue.

It is the policy of the Association that training, career development and promotion opportunities should be available to all employees.

Reserves

The Association needs to have reserves to ensure the organisation can function into the future and meet its future liabilities, including the major repairs and investment needs of its properties. The revenue reserve of £4.9m reflects primarily the past investment in the housing stock and reserves for future major repairs. The Association has a cash level of £1.65m to support its future plans and operating requirements. The Association reviews its maintenance spending plans regularly and re-assesses them in relation to reserves and cash flows.

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT of the MANAGEMENT COMMITTEE (Continued)

For the year ended 31 March 2020

Statement of Management Committee's Responsibilities

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

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

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements - 2019. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

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

In so far as the Management Committee are aware:

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

Statement on Internal Financial Control

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

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

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

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2020

Statement on Internal Financial Control (continued)

- quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2020. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

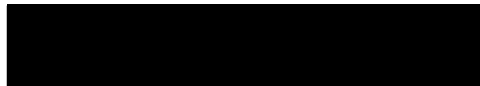
Donations

During the year the Association made charitable donations amounting to £400.

Auditors

A resolution to appoint Auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE MANAGEMENT COMMITTEE



K McLerie
Secretary

4 August 2020

REPORT by the AUDITORS to the MEMBERS OF

**KINGSRIDGE CLEDDANS HOUSING ASSOCIATION
LIMITED on**

CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on page 4 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

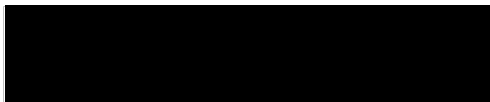
Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 4 has provided the disclosures required by the relevant Regulatory Standards within the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes 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 Management Committee, and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls within the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



CHIENE + TAIT LLP

Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

3 September 2020

Opinion

We have audited the financial statements of Kingsridge Cleddans Housing Association Limited (the 'Association') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2020 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefits Societies Act 2014, the
- Housing (Scotland) Act 2014 and the Determination of Accounting Requirements 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Management Committee

As explained more fully in the Statement of Management Committee's Responsibilities as set out on Page 3, the Management Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

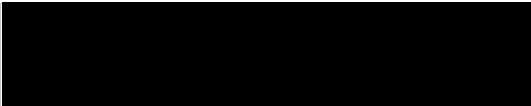
As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of the Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Association's audit. We remain solely responsible for our audit opinion.

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



CHIENE + TAIT LLP

Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

3 September

2020

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED**STATEMENT of COMPREHENSIVE INCOME****For the year ended 31 March 2020**

	Notes	2020	2019
Revenue	2	1,542,912	1,525,059
Operating Costs	2	(1,238,374)	(1,119,297)
Operating surplus		304,538	405,762
Interest receivable and other income		10,749	8,975
Interest Payable and Similar Charges	7	(12,100)	(12,156)
Other Finance Income / (Charges)	10	(2,000)	(3,000)
		(3,351)	(6,181)
Surplus for the year	8	301,187	399,581
Other comprehensive income			
Initial recognition of multi-employer defined benefit scheme		-	(50,805)
Actuarial gain/(loss) recognised in the pension liability		56,000	14,000
Total comprehensive income for the year		357,187	362,776

All amounts relate to continuing operations.

The notes on pages 14 to 27 form part of these financial statements

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

STATEMENT of FINANCIAL POSITION

As at 31 March 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Housing properties – depreciated cost	11(a)		12,979,192		13,338,298
Other tangible assets	11(b)		28,413		33,175
			-----		-----
			13,007,605		13,371,473
Current assets					
Debtors	12	64,017		66,819	
Cash at bank and in hand		1,652,833		1,468,936	
			-----	-----	
			1,716,850	1,535,755	
Creditors: amounts falling due within one year	13	(222,189)		(238,643)	
			-----	-----	
Net current assets			1,494,661		1,297,112
			-----		-----
Total assets less current liabilities			14,502,266		14,668,585
			-----		-----
Creditors: amounts falling due after more than one year	14		(811,232)		(899,066)
			-----		-----
Deferred income					
Social Housing grants	15		(8,754,584)		(9,126,990)
Pension scheme liability	14		(26,132)		(89,398)
			-----		-----
Net assets			4,910,318		4,553,131
			=====		=====
Equity					
Share capital	17		77		77
Revenue reserves			4,910,241		4,553,054
			-----		-----
			4,910,318		4,553,131
			=====		=====

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 4 August 2020.

.....	Chairperson
.....	Treasurer
.....	Secretary

The notes on pages 14 to 27 form part of these financial statements.

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

STATEMENT of CASH FLOWS

For the year ended 31 March 2020

	Notes	£	2020 £	£	2019 £
Net cash inflow from operating activities	16		370,759		480,229
Investing activities					
Acquisition and construction of properties		(100,554)		(162,608)	
Purchase of other fixed assets		(2,381)		(35,049)	
Social Housing grant repaid		-		(77,321)	
Interest received		10,749		7,829	
		-----		-----	
Net cash outflow from investing activities			(92,186)		(267,149)
Financing activities					
Interest paid on loans		(12,100)		(15,153)	
Loan principal repayments		(82,576)		(261,872)	
Share capital issues		-		4	
		-----		-----	
Net cash outflow from financing activities			(94,676)		(277,021)
			-----		-----
Increase/(decrease) in cash			183,897		(63,941)
Opening cash and cash equivalents			1,468,936		1,532,877
			-----		-----
Closing cash and cash equivalents			1,652,833		1,468,936
			=====		=====
Cash and cash equivalents as at 31 March					
Cash			1,652,833		1,468,936
			=====		=====

Analysis of Changes in Net Debt

	2019	Cash flows	Non-cash changes		2020
	£	£	Finance leases	Other changes	£
Long-term borrowings	(899,066)	-	-	87,834	(811,232)
Short-term borrowings	(81,310)	-	-	(5,258)	(86,568)
Total liabilities	(980,376)	-	-	82,576	(897,800)
Cash and cash equivalents	1,468,936	183,897	-	-	1,652,833
Total net debt	488,560	183,897	-	82,576	755,033

The notes on pages 14 to 27 form part of these financial statements.

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

STATEMENT of CHANGES IN EQUITY

As at 31 March 2020

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2018	76	4,190,278	4,190,354
Issue of shares	4	-	4
Cancellation of shares	(3)	-	(3)
Surplus for the year	-	362,776	362,776
	-----	-----	-----
Balance as at 31 March 2019	77	4,553,054	4,553,131
	=====	=====	=====

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2019	77	4,553,054	4,553,131
Issue of shares	-	-	-
Cancellation of shares	-	357,187	357,187
Surplus for the year	-	-	-
	-----	-----	-----
Balance as at 31 March 2020	77	4,910,241	4,910,318
	=====	=====	=====

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. Principal accounting policies

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2015.

Basis of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2014, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2019. A summary of the more important accounting policies is set out below.

Revenue

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with expenditure as it is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met.

Government Grants are released to income over the expected useful life of the asset to which it relates.

Retirement Benefits

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

The Association accounts for amounts that it has agreed to pay towards the Scheme deficit in accordance with paragraph 28.11A of FRS 102. The present value of this liability has been recognised in the Statement of Financial Position. The discount rate applied to this obligation is that of a yield rate for a high quality corporate bond.

The expected cost to the Association of pensions is charged to income so as to spread the cost of pensions over the service lives of the employees in the scheme taken as a whole.

The Association has moved from the Defined Benefit scheme to the Scottish Housing Association Defined Contribution Scheme.

Valuation Of Housing Properties

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

Component	Useful Economic Life
Structure	50 years
Central heating boilers	17 to 34 years
Radiators and pipework	17 to 36 years
Windows	17 to 28 years
Bathrooms	17 to 28 years
Kitchens	15 to 22 years
Rewiring	17 to 28 years

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

1. Principal accounting policies (continued)

Depreciation and Impairment of Other Non-Current Assets

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

Asset Category	Depreciation Rate
Furniture and Fittings	10% straight line
Office Equipment	25% straight line

The carrying values of non-current assets are reviewed for impairment at the end of each reporting period.

Social Housing Grant and Other Grants in Advance/Arrears

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

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

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

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

Sales Of Housing Properties

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

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

Taxation

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

Estimation Uncertainty

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

a) Rent Arrears - Bad Debt Provision

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

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

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

1. Principal accounting policies (continued)**Works to Existing Properties**

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

Capitalisation of Development Overheads

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

Development Interest

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

Key Judgements made in the application of Accounting Policies**a) The Categorisation of Housing Properties**

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

b) Identification of cash generating units

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

c) Financial instrument break clauses

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

d) Pension Liability

The Association received details from the Pension Trust of the valuation of the pension scheme and the Pension Trust's estimate of the Association's future past service deficit contributions. The Association has used this to provide the basis of the pension past service deficit liability in the financial statements. The Management Committee feels this is the best available estimate of the past service liability.

Financial Instruments - Basic

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

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

2. Particulars of turnover, operating costs and operating surplus or deficit from affordable letting and other activities

	Turnover	Operating Costs	2020 Operating surplus	Turnover	Operating Costs	2019 Operating surplus
	£	£	£	£	£	£
Affordable letting activities (note 3)	1,527,648	1,224,468	303,180	1,503,625	1,099,782	403,843
Other activities (note 4)	15,264	13,906	1,358	21,434	19,515	1,919
	-----	-----	-----	-----	-----	-----
	1,542,912	1,238,374	304,538	1,525,059	1,119,297	405,762
	=====	=====	=====	=====	=====	=====

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

3. Particulars of income and expenditure from affordable letting activities

	General needs	Supported accommodation	Shared ownership	2020 Total	2019 Total
	£	£	£	£	£
Rent receivable net of service charges	1,078,743	14,102	20,660	1,113,505	1,087,500
Service charges	<u>15,274</u>	<u>29,503</u>	-	<u>44,777</u>	<u>41,149</u>
Gross income from rents and service charges	1,094,017	43,605	20,660	1,158,282	1,128,649
Less voids	<u>(3,040)</u>	-	-	<u>(3,040)</u>	<u>(3,551)</u>
Net income from rents and service charges	<u>1,090,977</u>	<u>43,605</u>	<u>20,660</u>	<u>1,155,242</u>	<u>1,125,098</u>
Amortised grant	358,727	2,572	11,107	372,406	378,527
Grants from the Scottish Ministers	-	-	-	-	-
Other revenue grants	-	-	-	-	-
Other	-	-	-	-	-
Non-rental income	<u>358,727</u>	<u>2,572</u>	<u>11,107</u>	<u>372,406</u>	<u>378,527</u>
Total turnover from affordable letting activities	<u>1,449,704</u>	<u>46,177</u>	<u>31,767</u>	<u>1,527,648</u>	<u>1,503,625</u>
Management and maintenance administration costs	380,246	14,978	7,131	402,355	424,278
Service costs	15,274	29,503	-	44,777	41,149
Planned & cyclical maintenance including major repairs	200,033	-	-	200,033	87,249
Reactive maintenance costs	111,686	-	-	111,686	107,201
Bad debts – rents and service charges	5,957	-	-	5,957	(2,328)
Depreciation of affordable let properties	<u>439,450</u>	<u>3,150</u>	<u>17,060</u>	<u>459,660</u>	<u>442,233</u>
Operating costs for affordable letting activities	<u>1,152,646</u>	<u>47,631</u>	<u>24,191</u>	<u>1,224,468</u>	<u>1,099,782</u>
Operating surplus for affordable letting activities	<u>297,058</u>	<u>(1,454)</u>	<u>7,576</u>	<u>303,180</u>	<u>403,843</u>
Operating surplus for affordable letting activities for 2019	<u>398,858</u>	<u>(1,972)</u>	<u>6,957</u>	<u>403,843</u>	

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

4. Particulars of revenue, operating costs and operating surplus or deficit from other activities

	Grants from Scottish Ministers £	Other revenue grants £	Supporting People income £	Other income £	Total turnover £	Operating costs - bad debts £	Operating costs - other £	Operating surplus/ (deficit) 2020 £	surplus (deficit) 2019 £
Stage 3 adaptations	14,933	-	-	-	14,933	-	13,575	1,358	1,919
Development funding	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	330	330	-	330	-	-
Support activities	-	-	-	-	-	-	-	-	-
Other income/(expenditure)	-	-	-	-	-	-	-	-	-
Recharge repairs	-	-	-	-	-	-	-	-	-
Total from other activities	14,933	-	-	330	15,263	-	13,905	1,358	1,919
Total from other activities for 2019	21,104	-	-	330	21,434	-	19,515	1,919	

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

5. Officers emoluments

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

	2020	2019
	£	£
Emoluments payable to Chief Executive (including pension contributions)	63,913	62,852
	=====	=====
Emoluments payable to Chief Executive (excluding pension contributions)	56,785	55,883
	=====	=====
Total number of key management personnel with emoluments between £60,000 to £70,000	1	1
	=====	=====

6. Employee information

	2020	2019
	No.	No.
Average monthly number of full time equivalent persons employed during the year	5	5
	=====	=====
Average total number of employees employed during the year	5	5
	=====	=====

Staff costs

	£	£
Wages and salaries	210,468	205,000
Social Security costs	19,556	18,954
Other pension costs	19,586	22,748
	-----	-----
	249,610	246,702
	=====	=====

7. Interest payable and similar charges

	2020	2019
	£	£
Bank loans and overdrafts	12,100	12,156
	=====	=====

8. Surplus for the year

	2020	2019
	£	£
Surplus for the year is stated after charging/(crediting):		
Depreciation – tangible owned fixed assets	466,802	442,233
Auditors' remuneration – audit services	6,000	4,500
Operating lease	18,800	18,061
	=====	=====

9. Tax on surplus on ordinary activities

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

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

10. Other finance income/charges	2020	2019
	£	£
Unwinding of discounted liabilities	2,000	3,000
	=====	=====

11. Fixed assets

(a) Housing properties

	Housing property held for letting	Shared ownership held for letting	Total
Cost	£	£	£
As at 1 April 2019	19,829,681	853,003	20,682,684
Additions	100,554	-	100,554
Disposals	(99,397)	-	(99,397)
As at 31 March 2020	19,830,838	853,003	20,683,841
Depreciation			
As at 1 April 2019	7,173,785	170,601	7,344,386
Charge for Year	442,600	17,060	459,660
Disposals	(99,397)	-	(99,397)
As at 31 March 2020	7,516,988	187,661	7,704,649
Net Book Value			
As at 31 March 2020	12,313,850	665,342	12,979,192
As at 31 March 2019	12,655,896	682,402	13,338,298

The amount capitalised is £100,554 (2019: £162,608) with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £100,554 (2019: £162,208) and improvement of £nil (2019 - £nil).

The Association's Lenders have standard securities over Housing Property with a carrying value of £2,045,811 (2019: £2,018,140).

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

11. Fixed assets	Office equipment £	Furniture and fittings £	Total £
(b) Other tangible assets			
Cost			
As at 1 April 2019	29,834	58,637	88,471
Additions	2,166	215	2,381
Eliminated on disposals	(532)	-	(532)
	-----	-----	-----
As at 31 March 2020	31,468	58,852	90,320
	-----	-----	-----
Aggregate depreciation			
As at 1 April 2019	19,382	35,915	55,297
Charge for year	4,030	3,112	7,142
Eliminated on disposals	(532)	-	(532)
	-----	-----	-----
As at 31 March 2020	22,880	39,027	61,907
	-----	-----	-----
Net book value			
As at 31 March 2020	8,588	19,825	28,413
	=====	=====	=====
As at 31 March 2019	10,452	22,722	33,174
	=====	=====	=====
12. Trade and other receivables		2020	2019
		£	£
Arrears of rent and service charges		70,080	64,166
<u>Less:</u> Provision for doubtful debts		(26,129)	(19,393)
		-----	-----
Other receivables		43,951	44,773
		20,066	22,046
		-----	-----
		64,017	66,819
		=====	=====
13. Creditors: amounts falling due within one year		2020	2019
		£	£
Housing loans		86,568	81,310
Trade payables		8,216	19,392
Rent received in advance		5,068	14,549
Other payables		13,469	12,329
Accruals and deferred income		108,868	111,063
		-----	-----
		222,189	238,643
		=====	=====

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

14. Creditors: amounts falling due after more than one year	2020	2019
	£	£
Liability for past service contributions	26,132	89,398
Housing loans	811,232	899,066
	-----	-----
	837,364	988,464
	=====	=====

The Association has three loan agreements in place with Nationwide as at 31 March 2020. These facilities shall be repaid between 2028 and 2032 and are secured over 143 units with an existing use value of £3.8m. Interest charged on these facilities is currently 1.24%.

Housing loans

Amounts due within one year	86,568	81,310
Amounts due in one year or more but less than two years	87,447	82,408
Amounts due in two years or more but less than five years	267,699	253,958
Amounts due in more than five years	456,086	562,700
	-----	-----
	897,800	980,376
<u>Less:</u> Amounts shown in current liabilities	86,568	81,310
	-----	-----
	811,232	899,066
	=====	=====

15. Deferred income

	£
Social housing grants	
As at 1 April 2019	9,126,990
Additions in the year	-

As at 31 March 2020	9,126,990

Amortisation	
Amortisation in year	(362,999)
Disposals	(9,407)

As at 31 March 2020	(372,406)

Net book value	
As at 31 March 2020	8,754,584
	=====
As at 31 March 2019	9,126,990
	=====

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

	2020	2019
	£	£
Amounts due within one year	362,999	369,426
Amounts due in one year or more	8,391,585	8,757,564
	-----	-----
	8,754,584	9,126,990
	=====	=====

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

16. Statement of cash flows	2020	2019
	£	£
Surplus	304,538	362,776
Depreciation	466,803	449,336
Amortisation of capital grants	(372,406)	(378,527)
Change in debtors	2,802	8,066
Change in creditors	(34,978)	(2,803)
Unwinding of discount on pension liability	4,000	38,203
Share capital written off	-	(3)
	-----	-----
Net cash inflow from operating activities	370,759	477,048
	=====	=====

17. Share capital	2020	2019
	£	£
Shares of £1 each issued and fully paid		
As at 1 April 2019	77	76
Issued in year	-	4
Cancelled in year	-	(3)
	-----	-----
At 31 March 2020	77	77
	=====	=====

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. Housing stock	2020	2019
	No.	No.
The number of units of accommodation in management at the year end was:		
General needs – new build	254	254
General needs – rehabilitation	27	27
Shared ownership	11	11
	-----	-----
	292	292
	=====	=====

19. Leasing commitments

At the year end, the total future minimum lease payments under non cancellable operating leases were as follows:

	2020	2019
	£	£
Within one year	18,800	378
Between two and five years	19,556	1,512
	-----	-----
	38,356	1,890
	=====	=====

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

20. Related party transactions

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

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

Any transactions between the Association and any entity with which a Management Committee member has a connection with is made at arm's length and is under normal commercial terms.

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

	2020 £	2019 £
Rent received from tenants on the Management Committee and their close family Members	44,786	51,459
	=====	=====

At the year end total rent arrears owed by the Management Committee (and their close family) were £137 (2019: £85).

	2020 No.	2019 No.
Members of the Management Committee who are tenants	11	13
	=====	=====
Members of the Management Committee who are owner occupiers	-	-
	=====	=====

Mr John Docherty and Mr John Barclay are on the Board of Kingsridge Cleddans Economic Development Group (KCEDG). During the year the Association paid rent totaling £18,800 (2019: £18,061) to that organization.

21. Details of association

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

The Association's principal place of business is KCEDG Commercial Centre, Unit 2/3, Ladyloan Place, Glasgow G15 8LB.

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

22. Management Committee Member emoluments

Management Committee members received £75 (2019 - £215) in the year by way of reimbursement of expenses. No remuneration is paid to Management Committee members in respect of their duties to the Association.

23. Retirement benefit obligations

General

Kingsridge Cleddans Housing Association Limited participated in the Scottish Housing Association 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 as at 30 September 2018. This valuation revealed a deficit of £121m. A Recovery Plan has been put in place to eliminate the deficit which will run to 30 September 2022 or 31 March 2023 (depending on funding levels) for the majority of employers, although certain employers have different arrangements.

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

For accounting purposes, a valuation for the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward to accounting year-ends for 31 March 2019 to 29 February 2020 inclusive. The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

Similarly, an actuarial valuation of the Scheme was carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive.

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

	2020	2019
	£'000s	£'000s
Fair value of plan assets	420	417
Present value of defined benefit obligation	(446)	(506)
	-----	-----
Defined benefit liability to be recognised	(26)	(89)
	=====	=====

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED**NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2020****23. Retirement benefit obligations****Reconciliation of opening and closing balances of the defined benefit obligation**

	2020 £'000s
Defined benefit obligation at start of period	506
Expenses	18
Interest expense	12
Member contributions	13
Actuarial losses due to scheme experience	(35)
Actuarial losses due to changes in demographic assumptions	(3)
Actuarial losses due to changes in financial assumptions	(35)
Benefits paid and expenses	(30)

Defined benefit obligation at end of period	446
	=====

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

	2020 £'000s
Fair value of plan assets at start of period	417
Interest income	10
Experience on plan assets (excluding amounts included in interest income) - loss	(17)
Contributions by the employer	27
Member contributions	13
Benefits paid and expenses	(30)

Fair value of plan assets at end of period	420
	=====

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was (£7,000).

Defined benefit costs recognised in statement of comprehensive income

	2020 £'000s
Expenses	18
Net interest expense	2

Defined benefit costs recognised in statement of comprehensive income	20
	=====

Defined benefit costs recognised in other comprehensive income

	2020 £'000s
Experience on plan assets (excluding amounts included in net interest cost) - loss	(17)
Experience gains and losses arising on the plan liabilities - gain	35
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	3
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	35

Total amount recognised in other comprehensive income - gain	56
	=====

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

23. Retirement benefit obligations

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 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 Scheme based on the financial position of the Scheme as at 30 September 2019. As of this date the estimated employer debt for the Association is £282,869.

24. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £nil (2019: £nil). Amounts authorised by the Committee of Management but not contracted for amounted to £nil (2019: £nil).

25. Contingent liabilities

At 31 March 2020 apart from the matter outlined in Note 23 on Pension commitments, the Association had £nil contingent liabilities (2019: £nil).

26. Subsequent events

Subsequent to the year-end the Management Committee are aware of material uncertainties related to Covid-19. However, the Management Committee are continually developing and implementing mitigating actions and processes to ensure that the Association continues to function and manage future operations and those of their workforce and stakeholders. While there has been an increase in rent arrears for the period to June 2020 the Association has been focussed on tenant support and is in regular contact with tenants regarding changes in circumstances and applications for Universal Credit. Lower maintenance costs have been incurred during the same period and reduced overall maintenance spend in the year, along with lower loan interest charges (due to reduced interest rates), are expected. As a result of the strong cash position of the Association and the low levels of debt in place there are no material concerns for the Association at this point regarding continued future viability.