

Registered Housing Association Number: HCB 277
Charity Registration Number: SC041911
FCA Reference Number: 2420R (S)

RUCHAZIE HOUSING ASSOCIATION LIMITED
REPORT and FINANCIAL STATEMENTS
For the year ended 31 March 2020

RUCHAZIE HOUSING ASSOCIATION LIMITED

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RUCHAZIE HOUSING ASSOCIATION LIMITED

THE MANAGEMENT COMMITTEE, EXECUTIVES and ADVISERS

For the year ended 31 March 2020

Members of the Management Committee

H Holland	Chairperson
B Tollett	Vice Chairperson
A Macdonald	Secretary
A Galor	Committee Member
R Gigley	Committee Member
M Caldwell	Committee Member
I Figacz	Committee Member
E McQueen	Committee Member (resigned 28/05/20)
P Uti	Committee Member
T McGuigan	Committee Member (appointed 28/05/20)
D MacKenzie	Co-optee (co-opted 28/05/20)
G Bell	Co-optee (co-opted 28/05/20)
K Phillips	Co-optee (co-opted 28/05/20)
K Anderson	Appointee (resigned 31/03/20)
W Banks	Appointee
J Cosgrove	Appointee

Executive Officers

J Shields Director

Statutory Manager

P Rydquist Appointment ended 30/06/20

Registered Office

24 Avondale Street
Ruchazie
Glasgow
G33 3QS

External Auditor

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

Internal Auditor

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

Bankers

The Royal Bank of Scotland Plc
Glasgow Parkhead (A) Branch
1304 Duke Street
Glasgow
G31 5PZ

Solicitors

BTO Solicitors LLP
48 St Vincent Street
Glasgow
G2 5HS

Solicitors

TC Young
7 West George St
Glasgow
G2 1BA

RUCHAZIE HOUSING ASSOCIATION LIMITED

REPORT from the MANAGEMENT COMMITTEE

For the year ended 31 March 2020

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

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. 1825R (S). The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SC041911.

Principal Activities

The principal activities of the Association are

- The provision and management of affordable rented social housing.
- The maintenance and repair of the Associations' properties
- The provision of a factoring service to private tenants

Review of business and future developments

The Scottish Housing Regulator in March 2018, appointed a manager and 4 appointees to the Management Committee to Ruchazie under Section 56 of the Housing (Scotland) Act 2010. The purpose of this appointment was to address a number of identified risks relating to governance and financial management matters which were highlighted in an independent investigation report. These appointments were also to assist and support the Management Committee in ensuring that the Association's affairs are managed to an appropriate standard. The Association has made significant progress to date and the appointment of the Statutory Manager and 2 appointees continues until 30th June when the Regulator will review progress with the Governance Improvement Plan which aims to bring Ruchazie HA back to full compliance with the Regulatory Standards of Governance and Financial Management.

Throughout 2019 and into 2020 the Management Committee with the support of staff and the statutory manager made significant improvements to the governance of the Association. The Association carried out a strategic options appraisal and has decided to remain an independent organisation and develop ways of collaborating with other organisations to achieve its objectives. Our Business Plan for 2020/23 addresses the outcomes of the options appraisal.

A new staff structure has been approved and recruitment of permanent staff will take place during the year.

Performance

Our performance continues to be strong amongst our peers of similar size and in our immediate location. A review of performance by Scottish Housing networks confirmed that Ruchazie was one of the top performing organisations amongst its members. Our performance remains strong despite the challenges faced by regulation. This in the main is due to staff commitment and their approach to tenant engagement. Tenant Satisfaction results from 2018 reflects good outcomes for our tenants and a new satisfaction survey will take place in the new financial year.

Rent collection remained high throughout the year, however payment delays in respect of Universal Credit means that our end of year performance has dipped slightly. Gross Arrears at 3.03%. The net arrears figure (minus technical including Universal Credit payments) at 2.62%.

Ruchazie remains a popular area to live in with low terminations and a void loss of 0.05% of our annual rent charge.

We continue to improve our homes and have completed the following works in the year including 17 boiler renewals and 11 kitchen replacements. In order to meet new Fire Safety Regulations, we have completed the installations of smoke and heat detectors at 155 properties with the remainder due for completion by February 2021. Both kitchen and bathroom replacements will continue to progress in the coming year.

RUCHAZIE HOUSING ASSOCIATION LIMITED

REPORT from the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2020

Governance

The Management Committee is responsible for overseeing the strategic direction and providing an overview of the performance of the Association. The Association rules provide for up to 15

Management Committee members. As at 31st March 2020 there are 12 committee members including 3 appointed members.

The Scottish Housing Regulator published an updated engagement plan in December 2019 outlining the progress made and acknowledging the outcome of the options appraisal exercise.

Following a review of Committee members' skills and experience, 5 new committee members were recruited in April 2020, bringing a range of skills, which filled the gaps identified in this process.

The Engagement Plan published in June 2020 confirmed that the appointment of a Statutory Manager has now ended. Two appointees remain on the Committee for a further 3 months until September 2020.

Risk Management

The Association is aware that change brings additional risks which must be controlled effectively. Our current status of engagement with the Regulator clearly indicated that there are risks to the interests of our tenants due to weaknesses in Governance and Financial Management. However, the Management Committee are confident that the progress with the Improvement Plan will restore Ruchazie to full compliance. The Management Committee appointed the Edinburgh Risk Management Group to support them in developing a risk register, including key strategic and operational risks. This is reviewed and updated with staff and presented to the Audit and Risk Committee, with further reporting to the Management Committee on a quarterly basis.

The worldwide pandemic of Covid-19 will obviously have an impact on the Association, so although only beginning to impact late in the financial year (March 2020) it is essential that it is considered. The Management Committee are continually reviewing the impact of Covid-19 on our tenants, customers, staff, stock and business generally. The Association has robust business continuity plans in place which allow the business to be managed and impact to be minimised. Scenario planning is being undertaken and reviewed to allow the Association to consider the potential immediate impact along with medium and long-term impact.

Financial Review

The Association made a surplus for the year of £247,326 (2019: £94,551). £74,473 was spent on planned maintenance which has been capitalised.

Turnover of £1,453,208 relates to income from the letting of properties at affordable rents. Rent increases during 2019/20 were 2.9%.

At 31 March 2020 £1,824,791 was held in reserves.

Committee of Management and Executive Officers

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

Auditors

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

Statement of Management Committee's Responsibilities

The Co-operative and Community Benefit Societies 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 year. In preparing those Financial Statements, the Management Committee is required to:

RUCHAZIE HOUSING ASSOCIATION LIMITED

REPORT from the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2020

- 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 state on Internal Financial Control.

Statement of Management Committee's Responsibilities (continued)

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 House (Scotland) Act 2010 and the Determination of Accounting Requirements – 2014. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

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

In so far as the Management Committee are aware:

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

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:

1. 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 the Association's assets;
2. experience and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
3. 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;
4. 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;
5. regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;

RUCHAZIE HOUSING ASSOCIATION LIMITED

REPORT from the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2020

6. all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through the Management Committee;
7. 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; and
8. 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 for the financial statements.

BY ORDER OF THE MANAGEMENT COMMITTEE

A Macdonald
Secretary

10/09/2020

RUCHAZIE HOUSING ASSOCIATION

REPORT by the AUDITOR to the MANAGEMENT COMMITTEE on

CORPORATE GOVERNANCE MATTERS

For the year ended 31 March 2020

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 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 with in 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 Auditor
61 Dublin Street
Edinburgh EH3 6NL

17/9/ 2020

**INDEPENDENT AUDITORS REPORT to the MANAGEMENT COMMITTEE of
RUCHAZIE HOUSING ASSOCIATION LIMITED**

For the year ended 31 March 2020

Opinion

We have audited the financial statements of Ruchazie Housing Association Limited for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UKD and Republic of Ireland.

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 income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Scottish Housing Regulator Determination of Accounting Requirements (December 2014).

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 Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board 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 Board is responsible for the other information. The other information comprises the information included in the Report of the Governing Board, 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.

INDEPENDENT AUDITOR'S REPORT to the MANAGEMENT COMMITTEE of
RUCHAZIE HOUSING ASSOCIATION LIMITED (continued)

For the year ended 31 March 2020

Matters on which we are required to report by exception

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

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Board

As explained more fully in the Statement of the Board's Responsibilities set out on page 9, the Board members (who are also the Trustees of the Association for the purposes of charity law) 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 Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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


Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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


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

17/9/2020

RUCHAZIE HOUSING ASSOCIATION LIMITED

STATEMENT of COMPREHENSIVE INCOME

For the year ended 31 March 2020

	Notes	£	2020 £	£	2019 £
Revenue	2		1,453,208		1,205,702
Operating costs	2		(1,348,794)		(956,626)
Operating surplus	2, 9		104,414		249,076
Interest receivable and other similar income		4,159		1,055	
Interest payable and other similar charges	7	(52,247)		(52,580)	
Other finance charges	10	(6,000)		(7,000)	
			(54,088)		(58,525)
Surplus for the year			50,326		190,551
Other comprehensive income					
Initial recognition of multi-employer defined benefit scheme	22		-		(93,000)
Actuarial gains / (losses) in respect of pension scheme	22		197,000		(3,000)
Total comprehensive income			247,326		94,551

The results for the year relate wholly to continuing activities.

The notes on pages 13 to 30 form part of these financial statements.

RUCHAZIE HOUSING ASSOCIATION LIMITED

STATEMENT of FINANCIAL POSTION

As at 31 March 2020

	Notes	£	2020 £	£	2019 £
Non-current assets					
Housing properties – depreciated cost	11(a)		12,763,344		13,381,641
Other tangible fixed assets	11(b)		17,604		19,560
			<u>12,780,948</u>		<u>13,401,201</u>
Current assets					
Debtor	13	44,564		40,218	
Cash at bank and in hand		889,751		971,057	
		<u>934,315</u>		<u>1,011,275</u>	
Creditors: amounts falling due within one year	14	(296,025)		(298,489)	
Net current assets			638,290		712,786
Creditors: amounts falling due after more than one year:					
Housing property loans	15		(2,406,841)		(2,566,961)
Provision for liabilities					
Pension – defined benefit liability	22		(10,698)		(246,000)
Deferred income					
Social Housing Grants	17		(9,176,908)		(9,723,571)
			<u>1,824,791</u>		<u>1,577,455</u>
Equity					
Share capital	18		73		63
Revenue reserve	18		1,824,718		1,577,392
			<u>1,824,791</u>		<u>1,577,455</u>

The financial statements were approved by the Management Committee, authorised for issue and signed on its behalf on 10/09/2020.

 H Holland
Chairperson

 A Galor
Committee Member

 A Macdonald
Secretary

The notes on pages 13 to 30 form part of these financial statements.

RUCHAZIE HOUSING ASSOCIATION LIMITED

STATEMENT of CASH FLOWS

For the year ended 31 March 2020

	Notes	2020	2019
		£	£
Net cash inflow from operating Activities	16	200,393	268,374
Investing activities			
Purchase of other fixed assets		(74,473)	(24,729)
Net cash outflow from investing activities		(74,473)	(24,729)
Net cash inflow before financing		125,920	243,645
Financing activities			
Issue of ordinary share capital	10		27
Interest received		4,159	1,055
Interest paid		(52,247)	(52,580)
Loan principal repayments		(159,148)	(158,176)
Net cash outflow from financing		(207,226)	(209,674)
Increase/(Decrease) in cash		(81,306)	33,971
Opening cash and cash equivalents		971,057	937,086
Closing cash and cash equivalents		889,751	971,057

Analysis of Changes in Net Debt

	2019	Cash flows	Non-cash changes	2020
	£	£	Finance leases Other changes	£
Long-term borrowings	(2,566,961)	-	- 160,120	(2,406,841)
Short-term borrowings	(158,176)	159,148	- (160,120)	(159,148)
Total liabilities	(2,725,137)	159,148	- -	(2,565,989)
Cash and cash equivalents	971,057	(81,306)	- -	889,751
Total net debt	(1,754,080)	77,842	- -	(1,676,238)

RUCHAZIE HOUSING ASSOCIATION LIMITED

STATEMENT of CHANGES in CAPITAL and RESERVES

For the year ended 31 March 2020

	Share Capital £	Revenue Reserve £	Total £
Balance as at 1 April 2019	63	1,577,392	1,577,455
Issue of shares	10	-	10
Cancelled shares	-	-	-
Surplus for year	-	247,326	247,326
Pension scheme adjustments	-	-	-
Balance as at 31 March 2020	73	1,824,718	1,824,791

	Share Capital £	Revenue Reserve £	Total £
Balance as at 1 April 2018	104	1,482,841	1,482,945
Issue of shares	27	-	27
Cancelled shares	(68)	-	(68)
Surplus for year	-	190,551	190,551
Pension scheme adjustments	-	(96,000)	(96,000)
Balance as at 31 March 2019	63	1,577,392	1,577,455

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. Principal Accounting Policies

Legal Status

The Association is incorporated under the Co-operative and Community Benefits Societies Act 2014 and is registered by the Financial Conduct Authority. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

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 requirements of the Determination of Housing Requirements 2015 as issued by the Scottish Housing Regulator.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see below).

The following principal account policies have been applied:

Going concern

The Management Committee anticipate that a surplus will be generated in the year to 31 March 2021. The Association has a healthy cash and net current asset position and thus the Management Committee are satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus, the Management Committee continue to adopt the going concern basis of accounting in preparing the annual financial statements. See note 24 for further narrative in respect of the impact of Covid-19.

Revenue

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

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

Retirement Benefits

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

The Association accounts for the pension scheme on a defined benefit basis based on its share of scheme assets and liabilities as determined by the actuary. Defined benefit costs are recognised in the Statement of Comprehensive Income within operating costs. Actuarial gains and losses are recognised in Other Comprehensive Income.

Historically the scheme was accounted for as a defined contribution scheme as there was insufficient information for each social landlord's share of SHAPS to allow for defined benefit accounting. The liability previously recognised for the present value of the social landlord's deficit funding agreement has been derecognised. The difference between the deficit funding agreement liability social landlords historically recognised for SHAPS, and the net DB deficit for SHAPS, has been recognised in other comprehensive income (OCI).

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. Principal Accounting Policies (continued)

Further details of the scheme and its assumptions are included at note 22.

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 11. 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
Kitchens	18 years straight line
Bathrooms	30 years straight line
Central Heating	15 years straight line
Windows	30 years straight line
Radiators	30 years straight line
Doors (internal and external)	30-45 years straight line
Door Entry Systems	20 years straight line
Renewables	20 years straight line
Rewiring	30 years straight line
Rainwater Goods	30 years straight line
External Render	50 years straight line
Roof Coverings	50 years straight line
Structure	50 years straight line

Depreciation and Impairment of Other Non-Current Assets

Non-Current Assets are stated at cost less accumulated depreciation. Depreciation is charged over the expected useful economic useful lives of the assets at the following annual rates:

Office Premises	10% reducing balance
Office Furniture and Equipment	33% straight line

A full year's depreciation is charged in the year of purchase. No charge is made in the year of disposal. The carrying value of non-current assets is reviewed for impairment at the end of each reporting year.

Social Housing Grant and Other Grands in Advance/Arrears

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

Social Housing Grant attributed to individual components is written off to the Income and Expenditure Account when these components are replaced.

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

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. Principal Accounting Policies (continued)

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, is disclosed below:

Rent Arrears – Bad Debt Provision

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

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.

Useful Lives of Other Fixed Assets

The useful lives of other fixed assets are based on the knowledge of senior management at the Association with reference to expected asset lifecycles.

Pension Liabilities

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.

Leases/Leased Assets

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

Works to Existing Properties

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

Development Interest

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

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 226 in which it manages in its housing property for asset management purposes.

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. Principal Accounting Policies (continued)

(c) Pension Liability

In May 2020 the Association received details from the Pension Trust of its share of assets, liabilities and scheme deficit. The Association has used this information as the basis of the pension defined benefit liability as disclosed in the financial statements. The Management Committee consider this is the best estimate of their scheme liability.

Financial Instruments - Basic

The Association only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like rents, accounts receivable and payable, loans from banks and related parties.

These are recognised 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.

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

2. Particulars of Revenue, Cost of Sales, Operating Costs and Operating Surplus

	Note	2020		2019	
		Revenue £	Operating costs £	Operating surplus/ (deficit) £	Operating surplus/ (deficit) £
Social letting activities	3	1,431,452	(1,328,974)	102,478	246,309
Other activities	4	21,756	(19,820)	1,936	2,767
Total		1,453,208	(1,348,794)	104,414	249,076

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

3. Particulars of Income and Expenditure from Social Lettings

	General Needs Housing 2020 Total £	General Needs Housing 2019 Total £
Revenue from lettings		
Rent receivable net of identifiable service charges	881,843	857,138
Service charges receivable	4,159	3,730
	-----	-----
Gross rents receivable	886,002	860,868
Less: Rent losses/write backs from voids	(413)	(237)
	-----	-----
Net rents receivable	885,589	860,631
Amortisation of Social Housing and Other Grants	545,863	307,604
	-----	-----
Total income from society letting	1,431,452	1,168,235
	-----	-----
Expenditure on social letting activities		
Management and maintenance administration costs	460,310	393,297
Planned and cyclical maintenance including major repairs	91,447	106,634
Reactive maintenance	79,105	60,206
Community engagement costs	4,607	3,980
Bad debts – rents and services charges	1,399	(6,596)
Depreciation of social housing	692,106	364,405
	-----	-----
Operating costs of social housing	1,328,974	921,926
	-----	-----
Operating surplus on social letting activities	102,478	246,309
	=====	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

4. Particulars of Income and Expenditure 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	Operating surplus (deficit) 2019
	£	£	£	£	£	£						
Stage 3 applications	-	14,198	-	-	-	14,198	-	-	(12,907)	1,291	2,336	
Development funding	-	5,363	-	-	-	5,363	-	-	(5,363)	-	31	
Factoring	-	-	-	-	495	495	-	-	-	495	400	
Support activities	-	-	-	1,550	-	1,550	-	-	(1,550)	-	-	
Other income/(expenditure)	-	-	-	-	150	150	-	-	-	150	-	
Total from other activities	-	19,561	-	1,550	645	21,756	-	(19,820)	1,936	2,767		
Total from other activities for 2019	-	25,692	-	-	11,775	37,467	-	(34,700)	2,767			

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

5. Committee Member and 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. The Association considers key management personnel to be members of the Management Committee and the Director. No emoluments were paid to any member of the management committee during the year (2019: £nil).

	2020	2019
	£	£
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	-	-
Total emoluments paid to key management personnel	40,901	36,817
Employer NI in respect of key management personnel	4,454	3,918
Pension contributions in respect of key management personnel	5,153	4,639
Total emoluments paid to key management personnel	50,508	45,374
	=====	=====

Total number of officers including the highest paid officer, who received Emoluments (excluding pension contributions) over £60,000 is Nil.

Payments of £490 (2019: £390) were made to management committee members during the year for reimbursement of expenses.

6. Employee Information

	2020	2019
	£	£
Staff costs during the year:		
Wages and salaries	146,097	133,038
Social Security costs	11,182	9,933
Pension costs	19,520	13,373
Employer past service pension deficit costs	-	(1,000)
	176,799	155,344
	=====	=====

During the year, past service deficit contributions of £51,284 (2019: £49,833) were paid. Of this payment £49,788 (2019: £48,337) was a payment in respect of the SHAPS past service deficit liability. The remainder of £1496 (2019: £1496) was pension management costs which have been included in the pension contributions total included in staff costs above.

	No.	No.
The average number of full-time equivalent persons employed during the year was	4	4
	=====	=====

7. Interest payable and similar charges

	2020	2019
	£	£
Bank loans and overdrafts	52,247	52,580
	=====	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

8. Operating Surplus for the year	2020	2019
	£	£
Surplus is stated after charging:		
Depreciation of tangible owned fixed assets	694,062	366,578
Auditor's remuneration – audit services (exc VAT)	7,500	9,028
Internal Auditor's fees (exc VAT)	2,337	1,175
Operating lease rentals –		
Land and buildings	-	-
Other	1,019	1,374
Gain on disposal of fixed assets	136	67
Amortisation of capital grants	(545,863)	(307,604)
	=====	=====

The depreciation charge for the year reflects a re-classification of components and their estimated useful lives, previously included within structures.

Amortisation of capital grants for the year also reflects the impact of the changes to component classifications.

9. Tax on Surplus on Ordinary Activities

The Association is a Registered Scottish Charity and is exempt from Corporation Tax on its charitable activities.

10. Other Finance Income/Charges	2020	2019
	£	£
Defined benefit pension interest expense	6,000	7,000
	=====	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

	Housing Properties Held for Letting £
11. Non-current assets	
(a) Housing properties	
Cost	
At start of year	19,468,398
Additions	74,473
Disposals	(56,451)
At end of year	19,486,420
Depreciation	
At start of year	6,086,757
Charged during year	692,106
Eliminated on disposal	(55,787)
At end of year	6,723,076
Net book value	
At end of year	12,763,344
At start of year	13,381,641

Additions to housing properties includes capitalised development administration costs of £Nil (2019: £Nil) and capitalised component replacement costs to existing properties of £74,473 (2019: £24,729).

All land and housing properties are heritable.

	Office Premises £	Office Furniture & Equipment £	Total £
11. Non-current assets			
(b) Other tangible assets			
Cost			
At start of year	54,341	46,357	100,698
Additions	-	-	-
Disposals	-	(19,212)	(19,212)
At end of year	54,341	27,145	81,486
Depreciation			
At start of year	34,781	46,357	81,138
Charged during year	1,956	-	1,956
Disposals	-	(19,212)	(19,212)
At end of year	36,737	27,145	63,882
Net book value			
At end of year	17,604	-	17,604
At start of year	19,560	-	19,560

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

12. Commitments Under Operating Leases	2020	2019
	£	£
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:		
Not later than one year	1,019	1,021
Later than one year and not later than five years	1,205	2,595
	-----	-----
	2,224	3,616
	=====	=====
13. Debtors	2020	2019
	£	£
Arrears of rent and service charges	26,884	23,908
<u>Less:</u> Provision for doubtful debts	(11,473)	(10,604)
	-----	-----
Allpay debtors	15,411	13,304
Prepayments and accrued income	13,927	13,998
	15,226	12,916
	-----	-----
	44,564	40,218
	=====	=====
14. Creditors: amounts falling due within one year	2020	2019
	£	£
Bank loans and overdrafts	159,148	158,176
Trade payable	12,648	27,007
Rent in advance	34,817	39,732
Other taxation and Social Security	3,431	3,365
Other payables	43,701	41,998
Accruals and deferred income	42,280	28,211
	-----	-----
	296,025	298,489
	=====	=====
15. Creditors: amounts falling due after one year	2020	2019
	£	£
Housing loans	2,406,841	2,566,961
	=====	=====

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

The Association has a number of long term housing loans secured by specific charges on the Association's housing properties. These loans are due for repayment in instalments as detailed below at rates of interest varying from 0.8% to 2.4%.

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

15. Creditors: amounts falling due after one year (continued)

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

	2020 £	2019 £
Amounts due within one year	159,148	158,176
Amounts due in one year or more but less than two years	327,105	158,176
Amounts due in two years or more but less than five years	372,560	474,528
Amounts due in more than five years	1,707,176	1,934,257
	-----	-----
Less: amounts shown in current liabilities	2,565,989	2,725,137
	159,148	158,176
	-----	-----
	2,406,841	2,566,961
	=====	=====

16. Statement of Cash Flows

	2020 £	2019 £
Reconciliation of operating surplus to balance as at 31 March 2020		
Operating surplus	104,414	249,076
Depreciation	694,062	366,578
Amortisation of Capital Grants	(545,863)	(307,604)
(Gain) on assets scrapped	(136)	(67)
Change in debtors	(4,346)	(11,261)
Change in creditors	(3,436)	20,720
Movement in pension liability	(44,302)	(49,000)
Cancelled shares	-	(68)
	-----	-----
Balance as at 31 March 2020	200,393	268,374
	=====	=====

17. Deferred Income

	2020 £	2019 £
Social Housing Grants		
Balance as at 1 April 2019	9,723,571	10,032,231
Released as the result of property disposal	(800)	(1,056)
Amortisation in year	(545,863)	(307,604)
	-----	-----
Balance as at 31 March 2020	9,176,908	9,723,571
	=====	=====
Total deferred grants	9,176,908	9,723,571
	=====	=====

This is expected to be released to the Statement of Comprehensive income as follows:

Amounts due within one year	305,696	307,604
Amounts due in one year or more	8,871,212	9,415,967
	-----	-----
	9,176,908	9,723,571
	=====	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

18. Reserves	2020	2019
	£	£
Share capital		
<u>Shares of £1 issued and fully paid</u>		
At 1 April 2019	63	104
Issued in year	10	27
Cancelled in year	-	(68)
At 31 March 2020	73	63
	=====	=====

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends 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.

Reserves	2020	2019
	£	£
At 1 April 2019		
Surplus for year	1,577,392	1,482,841
Pension scheme adjustments	247,326	190,551
	-	(96,000)
At 31 March 2020	1,824,718	1,577,392
	=====	=====

19. Housing Stock	2020	2019
	£	£
The number of units of accommodation in management at the year-end was:		
General needs – new build	201	201
General needs – improved	24	24
General needs – commercial	1	1
	-----	-----
	226	226
	=====	=====

20. Related Party Transactions

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102. The related party relationships of the members of the Management Committee are summarised as:

- Members are tenants of the Association
- Members are factored owners
- Management Committee members 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 were as follows:

- Rent received from tenants on the Committee - £18,829
- At the year-end total rent arrears owed by the tenant members of the Committee were - £242.

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

21. Details of Association

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

The Association's principal place of business is 24 Avondale Street, Ruchazie, Glasgow G33 3QS.

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

22. Retirement Benefit Obligations

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 runs to either 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, two actuarial valuations for the Scheme were carried out with effective dates of 1 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus at the accounting period start and end dates.

	2020	2019
	£	£
As at 1 April 2019	246,000	192,000
De-recognition of deficit funding liability	-	(192,000)
Recognition of defined benefit obligation	-	285,000
Current service cost	18,000	15,000
Net interest expense	6,000	7,000
Expenses	1,496	2,000
Contributions by employer	(63,798)	(66,000)
Impact of change in assumptions	(197,000)	3,000
As at 31 March 2020	10,698	246,000

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

22. Retirement Benefit Obligations (continued)

The Association has past service deficit commitments to pay £53,265 during the year ended 31 March 2021.

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

	2020 £'000s	2019 £'000s
Fair value of plan assets	1,291	1,292
Present value of defined benefit obligation	1,301	1,538
Surplus/(deficit) in plan	(10)	(246)
Unrecognised surplus	-	-
Defined benefit asset/(liability) to be recognised	(10)	(246)
Deferred tax	-	-
Net defined benefit asset/(liability) to be recognised	-	-
	=====	=====

	Period ended 31 March 2020 £'000s
Reconciliation of the impact of the asset ceiling	
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses/(gains) on asset ceiling	-
Impact of asset ceiling at end of period	-
	=====

	Period ended 31 March 2020 £'000s
Reconciliation of opening and closing balances of the defined benefit obligation	
Defined benefit obligation at start of period	1,538
Current service cost	18
Expenses	1
Interest expense	36
Contributions by plan participants	12
Actuarial losses/(gains) due to scheme experience	(99)
Actuarial losses/(gains) due to changes in demographic assumptions	(8)
Actuarial losses/(gains) due to changes in financial assumptions	(165)
Benefits paid and expenses	(32)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses/(gains) on curtailments	-
Losses/(gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	1,301
	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

22. Retirement Benefit Obligations (continued)

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

	Period ended 31 March 2020 £'000s
Fair value of plan assets at start of period	1,292
Interest income	30
Experience on plan assets (excluding amounts included in interest income) - gain/(loss)	(75)
Contributions by the employer	64
Contributions by plan participants	12
Benefits paid and expenses	(32)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	1,291
	=====

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

	Period ended 31 March 2020 £'000s
Current service cost	18
Expenses	1
Net Interest expense	6
Losses/(gains) on business combination	-
Losses/(gains) on settlements	-
Losses/(gains) on curtailments	-
Losses/(gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCl)	25
	=====

Defined benefit costs recognised in other comprehensive income

	Period ended 31 March 2020 £'000s
Experience on plan assets (excluding amounts include din net interest costs) – gain/(loss)	(75)
Experience gains and losses arising on the plan liabilities – gain/(loss)	99
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	8
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations – gain/(loss)	165
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain/(loss)	197
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain/(loss)	-
Total amount recognises in other comprehensive income – gain/(loss)	197
	=====

RUHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

22. Retirement Benefit Obligations (continued)

Assets	2020 £'000s	2019 £'000s
Global Equity	177	208
Absolute Return	79	109
Distressed Opportunities	24	22
Credit Relative Value	31	22
Alternative Risk Premia	103	72
Fund of Hedge Funds	-	4
Emerging Markets Debt	46	41
Risk Sharing	41	37
Insurance-linked Securities	35	34
Property	24	26
Infrastructure	76	54
Private Debt	26	17
Opportunistic Liquid Credit	31	-
Corporate Bond Fund	94	91
Liquid Credit	34	-
Long Lease Property	32	16
Secured Income	72	45
Over 15 Year Gilts	16	33
Index Linked All Stock Gilts	-	-
Liability Driven Investment	340	460
Net Current Assets	10	1
Total Assets	1,291	1,292
	=====	=====

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

Key assumptions	2020 % per annum	2019 % per annum
Discount Rate	2.37	2.31
Inflation (RPI)	2.60	3.29
Inflation (CPI)	1.60	2.29
Salary growth	2.60	3.29
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance
	=====	=====

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

22. Retirement Benefit Obligations (continued)

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2020	21.5
Female retiring in 2020	23.2
Male retiring in 2039	22.8
Female retiring in 2039	24.5
	=====

23. Capital commitments

	2020 £	2019 £
Expenditure contracted but not provided for in accounts	-	-
	=====	=====

24. Post Balance Sheet Event

Subsequent to the year-end, the Management Committee are aware of material uncertainties related to Covid-19 that may cast doubt upon the Association's ability to continue as a going concern. 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.