

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2024

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2024

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KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS

For the year ended 31 March 2024

MANAGEMENT COMMITTEE

E Shaw	Chairperson
J Barclay	Vice Chairperson
J Atkins	Treasurer
K McLerie	Secretary
R Wards	
A Martin	
M McGeachin	Resigned 1 April 2023
J McDonald	
J Docherty	Resigned 17 January 2024
F Mills	Appointed 26 March 2024
L Herity	Appointed 15 August 2023
M McKenzie	Appointed 15 August 2023

EXECUTIVE OFFICERS

D Wilson	Appointed 4 March 2024
P Immelman	Terminated on 11 December 2023

REGISTERED OFFICE

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

EXTERNAL AUDITORS

Chiene + Tait LLP (trading as CT)
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 2024

The Management Committee present their report and the audited financial statements for the year ended 31st March 2024.

Principal activities

The principal activity of the Association as a Registered Social Landlord (RSL) is the provision of good quality homes at affordable rents for people in housing need.

Review of business

As the financial statements demonstrate, the Association remains in a strong financial position with net assets of £6.5m and an annual surplus of £433k.

The Association continued to manage risk efficiently throughout the year, the largest impact being through the cost of living crisis. This has seen costs for key works, particularly repairs, increase in price and a greater level of challenge in securing contracted works due to an increase in labour shortage across the sector. The strong relationships that the Association has built up have allowed us to manage this more efficiently than perhaps others in the sector and we continue to have strong and positive working relations with our key suppliers. There remains uncertainty within the sector with regard to changing standards on housing conditions, this, particularly with regard to the energy efficiency agenda. With the uncertainty over the framework and impact of the Energy Efficiency Standard in Social Housing (ESSH2) the Committee has ensured that we continue to maintain a healthy cash reserve and do not over-commit to any new development venture or significant capital works programs.

We remain conscious however of the need to continue to invest within the stock, to which end we shall be carrying out an updated stock condition survey within the year and this will feed into our investment works programme for 2024/25.

We have been mindful of balancing the impacts of the cost of living crisis on our tenants, a requirement to continue to provide value for money, and the need to address increased costs across all key areas of work. This was reflected in our 2024 rent increase of 6.7%. This increase allows us to continue to provide all of our services and to invest in our stock throughout the year.

There have been internal challenges due to the retirement of our long-serving director in June 2022, followed by the newly appointed director leaving the Association in 2023. Although this provided some strategic challenges for the Association, we continued to address the key aspects of our frontline service with limited impact felt by our customers. Following this change, the Committee sought to begin a thorough strategic review, which included the appointment of our new Director, Daniel Wilson, and the sourcing and instruction of an external governance consultant. It is expected that this will help the Committee to better demonstrate areas of strong governance, particularly with regard to improving our evidence bank and our assurance statement.

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 practices. Our financial cost ratios are comparable with or better than peer group and national medians. We continue to offer a Welfare Benefits Service; with the cost of living crisis greatly impacting our tenants this remains a lifeline service and has been exceptionally popular.

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT of the MANAGEMENT COMMITTEE (Continued)

For the year ended 31 March 2024

Maintenance policies

The Association continues to maintain and review all of its Policies, with the Committee kept aware of the progress of this via our Policy renewal Schedule. Our Maintenance Policy is regularly reviewed to ensure that we are kept up to date, especially with regards to changes to legislation. The Committee are also regularly appraised on their responsibilities with regards to health and safety and the relevant ongoing works being carried out to meet these requirements.

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.

Risk management

The Association sees the largest and most pressing risks that it is currently facing to be with regards to the potential stock investment requirements arising from EESH2. Whilst we are still unaware as to what these requirements shall be, we have considered the potential costs of changing our stock to meet the potential requirements of EESH2. This may involve a move away from traditional gas appliances and towards more energy efficient appliances, such as air-sourced heat pumps. Should such a requirement be realised, we envisage that potential costs could be in the region of £40,000 per property. This would be a significant cost to the Association, and provide a challenge, especially in our smaller properties and tenemental stock.

The Committee have taken the step of managing our budgets to look to ensure we maximise our financial reserves to best prepare and protect us from such legislative changes. Until we are aware of the requirements of EESH2, we shall look to maintain a healthy financial reserve. Whilst we prepare for the potential costs of meeting these requirements, we are also faced with the risk of increasing repair costs. This is likely impacted by Brexit. We are seeing increases to our day-to-day repairs, however, we have been prepared for, and have budgeted accordingly to meet this.

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.

The Association meets its responsibilities as an employer through the regular carrying out of risk assessments to ensure that the internal and external workplace meets the employee's needs.

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 £6.5m reflects primarily the past investment in the housing stock and reserves for future major repairs. The Association has a cash level of £2.1m 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 2024

Statement of 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 - 2024. 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.

As 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.

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT of the MANAGEMENT COMMITTEE (Continued)

For the year ended 31 March 2024

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;
- 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 2024. 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.

Auditors

A resolution to reappoint CT as auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE MANAGEMENT COMMITTEE



K McLerie
Secretary

Date: 27 June 2024

**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.



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

Date: 1 July 2024

Opinion

We have audited the financial statements of Kingsridge Cleddans Housing Association Limited (the 'Association') for the year ended 31 March 2024 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2024 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 2010 and the Determination of Accounting Requirements 2024.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- 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 financial statements 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the Association operates in and how the Association is complying with the legal and regulatory frameworks;
- inquired of management and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider that the most significant laws and regulations that have a direct impact on the financial statements were, but not limited to, FRS 102, Housing SORP 2018, the Scottish Housing Regulator's Determination of Accounting Requirements 2019, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland Act) 2010. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures against the requirements of the relevant financial reporting standards.

We also performed audit procedures to inquire of management, and those charged with governance whether the Association is in compliance with these laws and regulations, inspected correspondence with regulatory authorities including mandatory submissions to the Regulator, reviewed minutes of meetings of the Management Committee and relevant sub-committees, and reviewed available online information.

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 Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 1 July 2024

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED**STATEMENT of COMPREHENSIVE INCOME****For the year ended 31 March 2024**

	Notes	£	2024 £	£	2023 £
Revenue	2		1,572,195		1,495,263
Operating Costs	2		(1,153,413)		(1,081,951)
Operating surplus			418,782		413,312
Interest receivable and other income		45,604		16,974	
Interest Payable and Similar Charges	7	-		-	
			45,604		16,974
Surplus for the year	8		464,386		430,286
Other comprehensive income					
Actuarial (loss)/gain recognised in the pension liability			(31,000)		(31,000)
Total comprehensive income for the year			433,386		399,286

All amounts relate to continuing operations.

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 27 June 2024 by:


Elaine Shaw
Chairperson


Jane Atkins
Treasurer


Kirsteen McLerie
Secretary

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 2024

	Notes	2024	2023
		£	£
Fixed assets			
Housing properties – depreciated cost	10(a)	12,323,546	12,252,433
Other tangible assets	10(b)	15,157	20,273
		-----	-----
		12,338,703	12,272,706
Current assets			
Debtors	11	79,414	58,976
Cash at bank and in hand		2,136,917	2,050,852
		-----	-----
		2,216,331	2,109,828
Creditors: amounts falling due within one year	12	(173,491)	(231,804)
		-----	-----
Net current assets		2,042,840	1,878,024
		-----	-----
Total assets less current liabilities		14,381,543	14,150,730
Creditors: amounts falling due after more than one year			
Deferred income			
Social Housing grants	14	(7,779,535)	(8,010,105)
Pension scheme liability	13	(55,000)	(27,000)
		-----	-----
Net assets		6,547,008	6,113,625
		=====	=====
Equity			
Share capital	16	64	67
Revenue reserves		6,546,944	6,113,558
		-----	-----
		6,547,008	6,113,625
		=====	=====

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 27 June 2024 by:

[REDACTED]

Elaine Shaw
Chairperson

[REDACTED]

Jane Atkins
Treasurer

[REDACTED]

Kirsteen McLerie
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 2024

	Notes	£	2024 £	£	2023 £
Net cash inflow from operating activities	15		430,199		459,449
Investing activities					
Acquisition and construction of properties		(389,508)		(22,061)	
Purchase of other fixed assets		(230)		(1,675)	
Interest received		45,604		16,974	
		-----		-----	
Net cash outflow from investing activities			(344,134)		(6,762)
Financing activities					
Interest paid on loans		-		-	
Loan principal repayments		-		-	
		-----		-----	
Net cash outflow from financing activities			-		-
			-----		-----
Increase in cash			86,065		452,687
Opening cash and cash equivalents			2,050,852		1,598,165
			-----		-----
Closing cash and cash equivalents			2,136,917		2,050,852
			=====		=====
Cash and cash equivalents as at 31 March					
Cash			2,136,917		2,050,852
			=====		=====

Analysis of Changes in Net Debt

	2023 £	Cash Flows £	Non-cash changes Finance Leases £	Other Changes £	2024 £
Cash and cash equivalents	2,050,852	86,065	-	-	2,136,917
	=====	=====	=====	=====	=====

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 2024

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 31 March 2023	67	6,113,558	6,113,625
Cancellation of shares	(3)	-	(3)
Issue of Shares	-	-	-
Surplus for the year	-	433,386	433,386
	-----	-----	-----
Balance as at 31 March 2024	64	6,546,944	6547,008
	=====	=====	=====

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 31 March 2022	69	5,714,272	5,714,341
Cancellation of shares	(4)	-	(4)
Issue of Shares	2	-	2
Surplus for the year	-	399,286	399,286
	-----	-----	-----
Balance as at 31 March 2023	67	6,113,558	6,113,625
	=====	=====	=====

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2024

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.

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 2024. 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 10 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	60 years
Central heating boilers	20 years
Radiators and pipework	40 years
Windows	20 years
Bathrooms	35 years
Kitchens	20 years
Rewiring	40 years

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

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.

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

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.

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) 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.

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

	2024			2023		
	Turnover	Operating Costs	Operating surplus	Turnover	Operating Costs	Operating surplus
	£	£	£	£	£	£
Affordable letting activities (note 3)	1,526,422	1,106,976	419,446	1,471,572	1,060,662	410,910
Other activities (note 4)	45,773	46,437	(664)	23,691	21,289	2,402
	-----	-----	-----	-----	-----	-----
	1,572,195	1,153,413	415,783	1,495,263	1,081,951	413,312
	=====	=====	=====	=====	=====	=====

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

3. Particulars of income and expenditure from affordable letting activities	General Needs	Supported accommodation	Shared Ownership	2024 Total	2023 Total
	£	£	£	£	£
Rent receivable net of service charges	1,212,373	15,849	23,220	1,251,442	1,192,235
Service charges	16,062	32,139	-	48,201	50,978
	-----	-----	-----	-----	-----
Gross income from rents and service charges	1,228,435	47,988	23,220	1,299,643	1,243,213
Less voids	(3,791)	-	-	(3,791)	(3,150)
	-----	-----	-----	-----	-----
Net income from rents and service charges	1,224,644	47,988	23,220	1,295,852	1,240,063
Amortised grant	223,372	2,920	4,278	230,570	231,509
	-----	-----	-----	-----	-----
Total turnover from affordable letting activities	1,448,016	50,908	27,498	1,526,422	1,471,572
	=====	=====	=====	=====	=====
Management and maintenance administration costs	423,585	5,577	8,170	437,332	421,745
Service costs	16,062	32,139	-	48,201	50,978
Planned & cyclical maintenance including major repairs	140,720	-	-	140,720	149,956
Reactive maintenance costs	162,727	-	-	162,727	143,373
Bad debts – rents and service charges	(400)	-	-	(400)	(463)
Depreciation of affordable let properties	301,768	2,164	14,464	318,396	295,073
	-----	-----	-----	-----	-----
Operating costs for affordable letting activities	1,044,462	39,880	22,634	1,106,976	1,060,662
	-----	-----	-----	-----	-----
Operating surplus for affordable letting activities	403,554	11,028	4,864	419,446	410,910
	=====	=====	=====	=====	=====
Operating surplus for affordable letting activities for 2023	390,821	16,217	3,872	410,910	
	=====	=====	=====	=====	

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

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) 2024 £	surplus (deficit) 2023 £
Stage 3 adaptations	24,187	-	-	-	,24,187	-	21,988	2,199	2,123
Factoring	-	-	-	330	330	-	330	-	279
Wider Role	-	21,256	-	-	21,256	-	22,656	(1,400)	-
Chargeable Costs	-	-	-	-	-	1,463	1,463	(1,463)	-
Total from other activities	24,187	21,256	-	330	45,773	1,463	46,437	(664)	2,402
Total from other activities for 2023	23,361	-	-	330	23,691	(279)	21,568	2,402	

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

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. Key management personnel is considered to be the Management Committee and the Executive Officer.

	2024	2023
	£	£
Emoluments payable to Chief Executive (including pension contributions)	45,619	68,633
	=====	=====
Emoluments payable to Chief Executive (excluding pension contributions)	43,016	60,515
	=====	=====
Total number of key management personnel with emoluments between £60,000 to £70,000	-	1
	=====	=====

6. Employee information

	2024	2023
	No.	No.
Average monthly number of full time equivalent persons employed during the year	6	5
	=====	=====
Average total number of employees employed during the year	6	5
	=====	=====

Staff costs

	£	£
Wages and salaries	192,950	204,084
Social Security costs	14,716	17,360
Other pension costs	8,459	17,711
	-----	-----
	216,125	239,155
	=====	=====

7. Interest payable and similar charges

	2024	2023
	£	£
Bank loans and overdrafts	-	-
	=====	=====

8. Surplus for the year

	2024	2023
	£	£
Surplus for the year is stated after charging/ (crediting):		
Depreciation – tangible owned fixed assets	323,741	300,518
Auditors' remuneration – audit services	11,000	10,440
Operating lease	21,153	21,134
Loss on disposal	-	95
	=====	=====

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 2024

10. Fixed assets

(a) Housing properties

	Housing Property Held for Letting £	Shared Ownership Held for Letting £	Total £
Cost			
As at 1 April 2023	19,986,269	853,003	20,839,272
Additions	389,508	-	389,508
Disposals	(166,711)	-	(166,711)
	-----	-----	-----
As at 31 March 2024	20,209,066	853,003	21,062,069
	-----	-----	-----
Depreciation			
As at 1 April 2023	8,355,785	231,053	8,586,838
Charge for Year	303,932	14,464	318,396
Disposals	(166,711)	-	(166,711)
	-----	-----	-----
As at 31 March 2024	8,493,006	245,517	8,738,523
	-----	-----	-----
Net Book Value			
As at 31 March 2024	11,716,060	607,486	12,323,546
	=====	=====	=====
As at 31 March 2023	11,630,484	621,950	12,252,434
	=====	=====	=====

The amounts capitalised can be further split between component replacement of £389,508 (2023: £97,130) and improvement of £Nil (2023 - £Nil).

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

10. Fixed assets	Office equipment £	Furniture and fittings £	Total £
(b) Other tangible assets			
Cost			
As at 1 April 2023	37,057	61,664	98,721
Additions	229	-	229
Eliminated on disposals	(4,807)	-	(4,807)
	-----	-----	-----
As at 31 March 2024	32,479	61,664	94,143
	-----	-----	-----
Aggregate depreciation			
As at 1 April 2023	32,324	46,124	78,448
Charge for year	2,654	2,691	5,345
Eliminated on disposals	(4,807)	-	(4,807)
	-----	-----	-----
As at 31 March 2024	30,171	48,815	78,986
	-----	-----	-----
Net book value			
As at 31 March 2024	2,308	12,849	15,157
	=====	=====	=====
As at 31 March 2023	4,733	15,540	20,273
	=====	=====	=====
11. Trade and other receivables		2024	2023
		£	£
Arrears of rent and service charges		40,291	38,063
<u>Less:</u> Provision for doubtful debts		(13,408)	(13,408)
		-----	-----
Other receivables		26,883	24,656
		52,531	34,320
		-----	-----
		79,414	58,976
		=====	=====
12. Creditors: amounts falling due within one year		2024	2023
		£	£
Trade payables		25,633	81,370
Rent received in advance		9,423	18,908
Other payables		24,937	29,030
Accruals and deferred income		113,497	102,496
		-----	-----
		173,490	231,804
		=====	=====

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

13. Creditors: amounts falling due after more than one year	2024	2023
	£	£
Liability for past service contributions	55,000	27,000
	-----	-----
	55,000	27,000
	=====	=====

14. Deferred income

Social housing grants

As at 1 April 2023	8,010,105	£

As at 31 March 2024	8,010,105	

Amortisation		
Amortisation in year	(224,545)	
Disposals	(6,025)	

As at 31 March 2024	(230,570)	

Net book value		
As at 31 March 2024	7,779,535	
	=====	
As at 31 March 2023	8,010,105	
	=====	

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

	2024	2023
	£	£
Amounts due within one year	224,545	231,509
Amounts due in one year or more	7,554,990	7,778,596
	-----	-----
	7,779,535	8,010,105
	=====	=====

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

15. Statement of cash flows	2024	2023
	£	£
Surplus	418,782	409,312
Depreciation	323,741	300,518
Loss on disposal	-	95
Amortisation of capital grants	(230,570)	(231,509)
Change in debtors	(20,438)	(5,303)
Change in creditors	(58,314)	(13,662)
Unwinding of discount on pension liability	(2,999)	-
Share capital written off	(3)	(4)
Issue of Share capital	-	2
	-----	-----
Net cash inflow from operating activities	430,199	459,449
	=====	=====

16. Share capital	2024	2023
	£	£
Shares of £1 each issued and fully paid		
As at 1 April 2023	67	69
Issued in year	-	2
Cancelled in year	(3)	(4)
	-----	-----
At 31 March 2024	64	67
	=====	=====

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.

17. Housing stock	2024	2023
	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
	=====	=====

18. Leasing commitments

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

	2024	2023
	£	£
Within one year	21,153	21,134
Between two and five years	1,765	1,669
	-----	-----
	22,918	22,803
	=====	=====

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

19. 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:

	2024	2023
	£	£
Rent received from tenants on the Management Committee and their close family Members	29,585	21,565
	=====	=====

At the year end total rent arrears owed by the Management Committee (and their close family) were £Nil (2023: £73). The rent received from the shared owner during the year was £2,434 (2023: £2,099).

	2024	2023
	No.	No.
Members of the Management Committee who are tenants	6	5
	=====	=====
Members of the Management Committee who are owner occupiers	1	1
	=====	=====

Mr John Barclay is on the Board of Kingsridge Cleddans Economic Development Group (KCEDG). During the year the Association paid rent totalling £21,512 (2023: £19,730) to that organization.

20. 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 2/3/6, and Ladyloan Place, Glasgow, G15 8LB.

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

21. Management Committee Member emoluments

Management Committee members received £300 (2023: £230) 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.

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

22. 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 2021. This valuation revealed a deficit of £27m. A recovery plan has been put in place to eliminate the deficit which will run to 30 September 2022.

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 of the scheme was carried out with an effective date of 30 September each year. The liability figures from this valuation were rolled forward for accounting year-ends from 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 29 February 2025 inclusive.

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

	2024 £'000s	2023 £'000s
Fair value of plan assets	332	335
Present value of defined benefit obligation	(387)	(362)
	-----	-----
Defined benefit liability to be recognised	(55)	(27)
	=====	=====

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

22. Retirement benefit obligations

Reconciliation of opening and closing balances of the defined benefit obligation

	2024 £'000s
Defined benefit obligation at start of period	362
Current service cost	2
Expenses	1
Interest expense	18
Member contributions	5
Actuarial losses due to scheme experience	14
Actuarial gains due to changes in financial assumptions	(1)
Benefits paid and expenses	(14)

Defined benefit obligation at end of period	387
	=====

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

	2024 £'000s
Fair value of plan assets at start of period	335
Interest income	16
Experience on plan assets (excluding amounts included in interest income) - loss	(16)
Contributions by the employer	6
Member contributions	5
Benefits paid and expenses	(14)

Fair value of plan assets at end of period	332
	=====

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was £nil.

Defined benefit costs recognised in statement of comprehensive income

	2024 £'000s
Expenses	1
Current service cost	2
Net interest expense	2

Defined benefit costs recognised in statement of comprehensive income	5
	=====

Defined benefit costs recognised in other comprehensive income

	2024 £'000s
Experience on plan assets (excluding amounts included in net interest cost) - loss	(16)
Experience gains and losses arising on the plan liabilities - loss	(14)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	2
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - loss	(1)

Total amount recognised in other comprehensive income - loss	(29)
	=====

22. Retirement benefit obligations

During 2022/23 The Association was advised that following the triennial valuation no further deficit contribution would be required at this time and as from October 2022, we have stopped paying additional amounts. The next triennial valuation will be undertaken based on the position as at 31 March 2025, following which the actuary will project the liabilities and funding position for the pension fund. Until this is complete it is uncertain what the requirement will be in terms of funding any further deficit position. Based on the current market movements it is anticipated that there is a likelihood that further contributions from employers will be required, however it is not possible to calculate the impact of this issue with any accuracy beyond the provision for £55,000 which has been made (Note 13) based on the accounting requirements.

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.

In May 2021 the Scheme Trustee (TPT Retirement Solutions) notified employers of a review of historic scheme benefit changes, and this review has raised legal questions regarding whether and when some historic benefit changes should take effect, the outcome of which could give rise to an increase in liabilities for some employers. The Scheme Trustee has determined that it is prudent to seek clarification from the Court on these items, and a date for this has now been set for 2025.

On 4 May 2022 the Scheme Trustee issued an update to employers which included an estimate of the potential total additional liabilities at total scheme level, on a Technical Provisions basis. However, until Court directions are received, which is unlikely to be before mid-2025, it is not possible to calculate the impact of this issue on an individual employer basis with any accuracy. As a result of this no allowance will be made for this within the accounting disclosures included in this note.

23. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £Nil (2023: £151,027).
Amounts authorised by the Committee of Management but not contracted for amounted to £Nil (2023: £Nil).