Registered Housing Association No. HCB234
FCA Reference No. 2378R(S)
Scottish Charity No. SC038236

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2022

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2022

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KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS

For the year ended 31 March 2022

MANAGEMENT COMMITTEE

E Shaw	Chairperson
J Barclay	Vice Chairperson
J Atkins	Treasurer
K McLerie	Secretary
R Wards	
A Martin	
M McGeachin	
D Strain	Resigned 23 August 2021
J McDonald	Appointed 26 October 2021

EXECUTIVE OFFICERS

P Immelman	Appointed 6 June 2022
J Docherty	Resigned 3 June 2022

REGISTERED OFFICE

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

EXTERNAL AUDITORS

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

BANKERS

Bank of Scotland
19 Roman Road
Glasgow
G61 2SP

SOLICITORS

T C Young
7 West George Street
Glasgow
G2 1BA

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

REPORT of the MANAGEMENT COMMITTEE

For the year ended 31 March 2022

The Committee of Management present their report and the audited financial statements for the year ended 31st March 2022.

Principal activities

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

Review of business

As the financial statements demonstrate, the Association's financial position indicates net assets of £5,714,341. The surplus for the year was £448,104.

The Covid-19 pandemic presented a major challenge to the Association, and we could not have envisaged the sudden and significant impact it had on the country, bringing unprecedented challenges for RSL's, service users and stakeholders. We had to react very quickly to the situation and introduce new and effective ways of working, to maintain and provide essential services and manage the challenges posed by the pandemic. Arrangements were put in place to enable hybrid working to enable business continuity, effective governance, and provision of essential services.

Despite the challenges posed by the pandemic, the Association made good progress in key areas of business activity during the year from 1st April 2021 – 31st March 2022.

We reviewed our Risk Management Strategy and approved/reviewed a range of Policies in Housing Management, Governance, Asset Management and Financial Management. We published our Annual Report on the Charter and submitted our 3rd Annual Assurance Statement to the Scottish Housing Regulator. We also produced a Governance Framework Action Plan Document which outlined the range, type, and frequency of reports that the management committee would receive during the year. We also carried out a governance effectiveness review and submitted all our statutory return submissions on time. A full review of the Business Plan was carried out in February 2022.

The Director advised the Management Committee about his intention to retire in the summer of 2022 at a meeting held on 26th October and the preferred option for the Management Committee was to continue as an independent RSL following his retiral. A consultant was appointed to undertake a strategic options appraisal to allow our tenants to consider the options available following the retirement of the Director. The options appraisal survey was carried out by the Knowledge Partnership and 97.2% of respondents indicated that they wished the Association to remain independent and to continue to provide the range of services we currently offer. The Management Committee were pleased to note the findings of the survey and a succession management plan was put in place. A notifiable event was submitted to the Scottish Housing Regulator on 25th February and EVH were appointed to provide professional support to the Management Committee. A recruitment panel was established and given delegated responsibility to implement the recruitment process to appoint a new Director. A recruitment timetable was agreed, specifying an event timeline from the starting point through to the recruitment stage. Interviews were held on 21st April and the new Director, Paul Immelman has been appointed. He will take up the position on 6th June 2022 after a handover process has been completed.

We replaced kitchens in 32 properties within our Inchfad Phase 4 development at 1 – 61 Inchfad Crescent and 77 -85 Inchfad Drive.

We completed 1093 reactive repairs during the year and our average response time for Emergency Repairs was 2.96 hours and 1.94 days for non-emergency repairs. 129 Qualifying repairs were completed within the relevant timescales. We carried out 90 void property repairs and our average response time was 2 days.

We carried out a Health and Safety Audit to assess our compliance with Health and Safety legislation.

Our 5 year and 30- year budget projections continue to demonstrate our medium/long term viability under reasonable assumptions. The Association is aware of the need for effective financial performance based on sound management practice. Our financial cost ratios are comparable with or better than peer group and national medians. We also agreed to repay our 2 loans with the Nationwide Building Society totalling £408,000 and the Association has no outstanding loan debt.

Our Welfare Benefits Advice Service continues to be well used and our adviser had another successful year and assisted residents to claim various financial benefits, resulting in financial gains totalling £43,801.

Despite the impact of the pandemic our Gross rent arrears reduced from 3.97% in 2020 – 2021 to 3.43 % at 31st March 2022.

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

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

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

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

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

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

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

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

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

Reserves
The Association needs to have reserves to ensure the organisation can function into the future and meet its future liabilities, including the major repairs and investment needs of its properties. The revenue reserve of £5.7m reflects primarily the past investment in the housing stock and reserves for future major repairs. The Association has a cash level of £1.6m 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.

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.

Statement of 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 Housing (Scotland) Act 2014 and the Determination of Accounting Requirements - 2019. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

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

In so far as the Management Committee are aware:

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

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

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

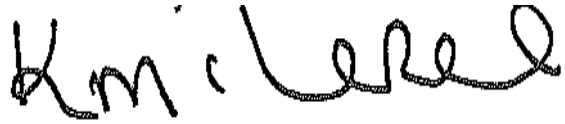
It is the Management Committee's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Association's systems include ensuring that the:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- 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 2022. 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 appoint Auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE MANAGEMENT COMMITTEE



K McLerie
Secretary

Date: 28 June 2022

REPORT by the AUDITORS to the MEMBERS OF

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED on

CORPORATE GOVERNANCE MATTERS

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

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 4 has provided the disclosures required by the relevant Regulatory Standards within the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

CHIENE + TAIT LLP
Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

Date: 5 July 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Kingsridge Cleddans Housing Association Limited (the 'Association') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2022 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefits Societies Act 2014, the
- Housing (Scotland) Act 2014 and the Determination of Accounting Requirements 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Management Committee.
We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Association and the industry in which it operates and considered the risk of acts by the Association which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Housing SORP 2018, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland) Act 2010.

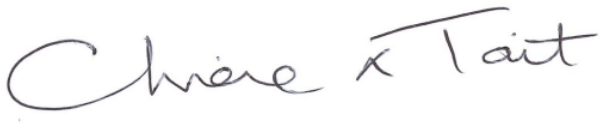
We focused on laws and regulations that could give rise to a material misstatement in the Association's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the members;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

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

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.



CHIENE + TAIT LLP
Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

Date: 5 July 2022

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

STATEMENT of COMPREHENSIVE INCOME

For the year ended 31 March 2022

	Notes		2022		2021
		£	£	£	£
Revenue	2		1,454,053		1,458,402
Operating Costs	2		(1,034,520)		(1,056,527)
Operating surplus			419,533		401,875
Interest receivable and other income		1,136		6,889	
Interest Payable and Similar Charges	7	(1,438)		(5,663)	
			(302)		1,226
Surplus for the year	8		419,231		403,101
Other comprehensive income					
Actuarial gain/(loss) recognised in the pension liability			28,873		(47,174)
Total comprehensive income for the year			448,104		355,927

All amounts relate to continuing operations.

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

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

STATEMENT of FINANCIAL POSITION

As at 31 March 2022

	Notes		2022		2021
		£	£	£	£
Fixed assets					
Housing properties – depreciated cost	10(a)		12,450,377		12,637,328
Other tangible assets	10(b)		24,137		24,942
			12,474,514		12,662,270
Current assets					
Debtors	11	53,673		50,837	
Cash at bank and in hand		1,598,165		1,691,568	
		1,651,838		1,742,406	
Creditors: amounts falling due within one year	12	(161,397)		(218,638)	
Net current assets			1,490,441		1,523,768
Total assets less current liabilities			13,964,955		14,186,038
Creditors: amounts falling due after more than one year	13		-		(387,958)
Deferred income					
Social Housing grants	14		(8,241,614)		(8,475,841)
Pension scheme liability	13		(9,000)		(56,000)
Net assets			5,714,341		5,266,239
Equity					
Share capital	16		69		71
Revenue reserves			5,714,272		5,266,168
			5,714,341		5,266,239

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 28 June 2022.

Chairperson

Treasurer

Secretary

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

KINGSRIDGE CLEDDANS HOUSING ASSOCIATION LIMITED

STATEMENT of CASH FLOWS

For the year ended 31 March 2022

	Notes		2022		2021
		£	£	£	£
Net cash inflow from operating activities	15		461,799		505,451
Investing activities					
Acquisition and construction of properties		(111,031)		-	
Purchase of other fixed assets		(9,182)		(4,829)	
Interest received		1,136		6,889	
Net cash outflow from investing activities			(119,077)		2,060
Financing activities					
Interest paid on loans		(1,438)		(5,663)	
Loan principal repayments		(434,687)		(463,113)	
Net cash outflow from financing activities			(436,125)		(468,776)
Increase/(decrease) in cash			(93,403)		38,735
Opening cash and cash equivalents			1,691,568		1,652,833
Closing cash and cash equivalents			1,598,165		1,691,568
Cash and cash equivalents as at 31 March					
Cash			1,598,165		1,691,568

Analysis of Changes in Net Debt

			Non-cash changes		
	2021	Cash Flows	Finance Leases	Other Changes	2022
	£	£	£	£	£
Long-term borrowings	(387,958)	-	-	387,958	-
Short-term borrowings	(46,729)	-	-	46,729	-
Total liabilities	(434,687)	-	-	434,687	-
Cash and cash equivalents	1,691,568	(93,403)	-	-	1,598,165
Total net debt	1,256,881	(93,403)	-	434,687	1,598,165

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 2022

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 31 March 2021	71	5,266,168	5,266,239
Cancellation of shares	(2)	-	(2)
Surplus for the year	-	448,104	448,104
Balance as at 31 March 2022	69	5,714,272	5,714,341

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2020	77	4,910,241	4,910,318
Cancellation of shares	(6)	-	(6)
Surplus for the year	-	355,927	355,927
Balance as at 31 March 2021	71	5,266,168	5,266,239

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 2019. A summary of the more important accounting policies is set out below.

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

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

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

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

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

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

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

Component	Useful Economic Life
Structure	60 years
Central heating boilers	20 years
Radiators and pipework	40 years
Windows	20 years
Bathrooms	35 years
Kitchens	20 years
Rewiring	40 years

During the year the Association reviewed the useful life of components and this resulted in lower annual property depreciation of £84,528 and grant amortization of £87,477.

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.

1. Principal accounting policies (continued)

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

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

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

Key Judgements made in the application of Accounting Policies

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

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

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

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

	2022			2021		
	Turnover	Operating Costs	Operating surplus	Turnover	Operating Costs	Operating surplus
	£	£	£	£	£	£
Affordable letting activities (note 3)	1,428,809	1,010,024	418,785	1,448,589	1,047,021	401,568
Other activities (note 4)	25,244	24,496	748	9,813	9,506	307
	1,454,053	1,034,520	419,533	1,458,402	1,056,527	401,875

3. Particulars of income and expenditure from affordable letting activities

	General Needs	Supported accom-modation	Shared Ownership	2022 Total	2021 Total
	£	£	£	£	£
Rent receivable net of service charges	1,108,030	14,486	21,222	1,143,738	1,130,242
Service charges	14,158	39,488	-	53,646	43,146
Gross income from rents and service charges	1,122,188	53,974	21,222	1,197,384	1,173,388
Less voids	(2,802)	-	-	(2,802)	(3,542)
Net income from rents and service charges	1,119,386	53,974	21,222	1,194,582	1,169,846
Amortised grant	226,732	2,966	4,529	234,227	278,743
Non-rental income	226,732	2,966	4,529	234,227	278,743
Total turnover from affordable letting activities	1,346,118	56,940	25,751	1,428,809	1,448,589
Management and maintenance administration costs	397,551	5,202	7,940	410,693	406,996
Service costs	14,158	39,488	-	53,646	43,146
Planned & cyclical maintenance including major repairs	118,900	-	-	118,900	161,245
Reactive maintenance costs	130,989	-	-	130,989	97,717
Bad debts – rents and service charges	(2,187)	-	-	(2,187)	(3,947)
Depreciation of affordable let properties	274,445	9,073	14,464	297,982	341,864
Operating costs for affordable letting activities	933,856	53,763	22,404	1,010,024	1,047,021
Operating surplus for affordable letting activities	412,262	3,177	3,347	418,786	401,568
Operating surplus for affordable letting activities for 2021	384,449	8,772	8,347	401,568	

For the year ended 31 March 2022

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 Operating costs - other	Operating surplus/ (deficit) 2022	surplus (deficit) 2021
	£	£	£	£	£	£	£	£	£
Stage 3 adaptations	24,914	-	-	-	24,914	-	22,649	2,265	862
Factoring	-	-	-	330	330	-	330	-	-
Recharge repairs	-	-	-	-	-	1,517	-	(1,517)	(555)
Total from other activities	24,914	-	-	330	25,244	1,517	22,979	748	307
Total from other activities for 2021	9,483	-	-	330	9,813	555	8,951	307	

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.

	2022	2021
	£	£
Emoluments payable to Chief Executive (including pension contributions)	65,823	66,508
Emoluments payable to Chief Executive (excluding pension contributions)	57,943	57,483
Total number of key management personnel with emoluments between £60,000 to £70,000	1	1

6. Employee information

	2022	2021
	No.	No.
Average monthly number of full time equivalent persons employed during the year	5	5
Average total number of employees employed during the year	5	5

Staff costs	£	£
Wages and salaries	211,596	218,812
Social Security costs	18,443	18,162
Other pension costs	24,728	26,236
	254,767	263,211

7. Interest payable and similar charges

	2022	2021
	£	£
Bank loans and overdrafts	1,438	5,663

8. Surplus for the year

	2022	2021
	£	£
Surplus for the year is stated after charging/ (crediting):		
Depreciation – tangible owned fixed assets	307,848	350,164
Auditors' remuneration – audit services (ex-vat)	6,900	6,300
Operating lease	20,107	19,168

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.

10. Fixed assets

(a) Housing properties

	Housing Property Held for Letting	Shared Ownership Held for Letting	Total
	£	£	£
Cost			
As at 1 April 2021	19,830,838	853,003	20,683,841
Additions	111,031	-	111,031
Disposals	(52,730)	-	(52,730)
As at 31 March 2022	19,889,139	853,003	20,742,142
Depreciation			
As at 1 April 2021	7,844,388	202,125	8,046,513
Charge for Year	283,518	14,464	297,982
Disposals	(52,730)	-	(52,730)
As at 31 March 2022	8,075,176	216,589	8,291,765
Net Book Value			
As at 31 March 2022	11,813,963	636,414	12,450,377
As at 31 March 2021	11,986,450	650,878	12,637,328

The amount capitalised is £Nil (2021: £Nil) with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £111,031 (2020: £Nil) and improvement of £Nil (2021 - £Nil).

The Association's Lenders have standard securities over Housing Property with a carrying value of £nil (2021: £2,030,830). No debt is in place at 31 March 2022.

10. Fixed assets	**Office equipment**	**Furniture and fittings**	**Total**
	£	£	£
(b) Other tangible assets			
Cost			
As at 1 April 2021	35,398	58,542	93,939
Additions	5,421	3,760	9,182
Eliminated on disposals	(3,632)	(1,205)	(4,838)
As at 31 March 2022	37,187	61,096	98,284
Aggregate depreciation			
As at 1 April 2021	27,168	41,830	68,998
Charge for year	6,458	3,409	9,866
Eliminated on disposals	(3,632)	(1,085)	(4,717)
As at 31 March 2022	29,993	44,153	74,147
Net book value			
As at 31 March 2022	7,194	16,943	24,137
As at 31 March 2021	8,230	16,712	24,941

11. Trade and other receivables	**2022**	**2021**
	£	£
Arrears of rent and service charges	39,677	46,567
Less: Provision for doubtful debts	(13,408)	(15,962)
	26,269	30,605
Other receivables	27,404	20,232
	53,673	50,837

12. Creditors: amounts falling due within one year	**2022**	**2021**
	£	£
Housing loans	-	46,729
Trade payables	12,343	20,160
Rent received in advance	15,816	17,710
Other payables	28,414	15,648
Accruals and deferred income	104,824	118,391
	161,397	218,638

13. Creditors: amounts falling due after more than one year	**2022** £	**2021** £
Liability for past service contributions	9,000	56,000
Housing loans	-	387,958
	9,000	443,958

	2022 £	**2021** £
Housing loans		
Amounts due within one year	-	46,729
Amounts due in one year or more but less than two years	-	46,729
Amounts due in two years or more but less than five years	-	140,187
Amounts due in more than five years	-	201,042
	-	434,687
Less: Amounts shown in current liabilities	-	46,729
	-	387,958

14. Deferred income

	£
Social housing grants	
As at 1 April 2021	8,475,841
Additions in the year	-
As at 31 March 2022	8,754,584
Amortisation	
Amortisation in year	(234,227)
Disposals	-
As at 31 March 2022	(234,227)
Net book value	
As at 31 March 2022	8,241,614
As at 31 March 2021	8,475,841

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

	2022 £	**2021** £
Amounts due within one year	234,227	278,743
Amounts due in one year or more	8,007,387	8,197,098
	8,241,614	8,475,841

15. Statement of cash flows

	2022	2021
	£	£
Surplus	419,533	401,875
Depreciation	307,969	350,164
Amortisation of capital grants	(234,227)	(278,743)
Change in debtors	(2,836)	13,180
Change in creditors	(28,638)	18,981
Unwinding of discount on pension liability	-	-
Share capital written off	(2)	(6)
Net cash inflow from operating activities	461,799	505,451

16. Share capital

	2022	2021
	£	£
Shares of £1 each issued and fully paid		
As at 1 April 2021	71	77
Issued in year	-	-
Cancelled in year	(2)	(6)
At 31 March 2022	69	71

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

	2022	2021
	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:

	2022	2021
	£	£
Within one year	20,107	19,168
Between two and five years	158	76,674
	20,265	95,842

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:

	2022	2021
	£	£
Rent received from tenants on the Management Committee and their close family Members	34,525	37,839

At the year end total rent arrears owed by the Management Committee (and their close family) were £Nil (2021: £Nil).

	2022	2021
	No.	No.
Members of the Management Committee who are tenants	8	8
Members of the Management Committee who are owner occupiers	-	-

Mr John Docherty and Mr John Barclay are on the Board of Kingsridge Cleddans Economic Development Group (KCEDG). During the year the Association paid rent totaling £18,800 (2021: £18,800) 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 £Nil (2021: £Nil) 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.

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

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

For financial years ending on or before 28 February 2019, it has not been possible for the Association to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Association has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive.

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

	2022	**2021**
	£'000s	£'000s
Fair value of plan assets	532	491
Present value of defined benefit obligation	(541)	(547)
Defined benefit liability to be recognised	(9)	(56)

23. Retirement benefit obligations

Reconciliation of opening and closing balances of the defined benefit obligation

	2022 £'000s
Defined benefit obligation at start of period	(547)
Current service cost	(17)
Expenses	(1)
Interest expense	(12)
Member contributions	(13)
Actuarial losses due to scheme experience	(4)
Actuarial losses due to changes in financial assumptions	48
Benefits paid and expenses	5
Defined benefit obligation at end of period	(541)

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

	2022 £'000s
Fair value of plan assets at start of period	491
Interest income	11
Experience on plan assets (excluding amounts included in interest income) - loss	(9)
Contributions by the employer	31
Member contributions	13
Benefits paid and expenses	(5)
Fair value of plan assets at end of period	532

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £2,000.

Defined benefit costs recognised in statement of comprehensive income

	2022 £'000s
Expenses	2
Current service cost	17
Defined benefit costs recognised in statement of comprehensive income	19

Defined benefit costs recognised in other comprehensive income

	2022 £'000s
Experience on plan assets (excluding amounts included in net interest cost) - loss	(9)
Experience gains and losses arising on the plan liabilities - loss	(4)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	48
Total amount recognised in other comprehensive income - gain	35

23. Retirement benefit obligations

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

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

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. This process is ongoing and the matter is unlikely to be resolved before late 2024 at the earliest.

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, 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.

24. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £Nil (2022: £Nil). Amounts authorised by the Committee of Management but not contracted for amounted to £Nil (2021: £106,172).