

Company number: L0284



Financial Statements
For the year ending 31 March 2021

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Cotman Housing Association Limited
Board of Management, Executives and Advisers
For the year ending 31 March 2021

Board of Management

R Gregory (Chair) (Appointed 1 May 2021)
J Brighton (Chair) (Resigned 1 May 2021)
D Marriott-Lavery
L Lackey (Appointed 1 March 2021)
G Waddell (Appointed 1 May 2021)
A Daniel (Appointed 1 May 2021)
R Finn (Appointed 1 May 2021)
G Kitchen (Appointed 1 May 2021)
D Cowans (Appointed 1 May 2021)
A Winstanley (Appointed 1 May 2021)
T Weightman (Appointed 1 May 2021)
S Black (Appointed 1 May 2021)
N Hopkins (Resigned 28 February 2021, Appointed 1 May 2021)
J O'Byrne (Resigned 1 May 2021)
S Ringwood (Resigned 1 May 2021)
N Wilson (Resigned 1 May 2021)

Company Secretary

C Martin

Registered Office

80 Cheapside
London
EC2V 6EE

Banker

Barclays Bank Plc
38 Fishergate
Preston
PR1 2AD

Registered Auditor

KPMG LLP
Gateway House
Tollgate
Chandler's Ford
Southampton
Eastleigh
SO53 3TG

Registration of Company

Cotman Housing Association is a non-profit making housing association and a registered society with charitable status under the Co-operative and Community Benefit Societies Act 2014 (Registered number 19473R) and is registered under the Housing Act (Registered number L0284). It is also affiliated to the National Housing Federation.

Cotman Housing Association Limited
Report of the Board
For the year ending 31 March 2021

Report of the Board

The board of Directors is pleased to present its report and the audited financial statements for the year ended 31 March 2021.

Nature of the Association

Cotman Housing Association ('the Association') is a non-profit making housing association and a registered society with charitable status under the Co-operative and Community Benefit Societies Act 2014 (Registered number 19473R). The Association was founded in 1970 and registered by the former Housing Corporation in 1975.

The Association is a subsidiary of the Places for People Group (the "Group") and undertakes its activities in accordance with the terms and conditions of an Independence and Responsibilities Agreement.

The Association also meets housing needs through the supply of shared ownership and leasehold accommodation for sale. It offers an agency managed service to other not for profit organisations. It delivers projects which add social value to people living in the wider community, regardless of housing tenure.

Results

The Association's surplus for the year was £6.8m (2020: £6.2m).

The Association's key performance indicators and principal risks and uncertainties are aligned with those of the ultimate parent undertaking, Places for People Group Limited, and are included in the consolidated Group accounts.

The Association's strategy is aligned to that of the parent company Places for People Group Limited, as such the Financial Viability Statement and Value for Money information appropriate to the Association can be found in the Group financial statements that can be obtained from the Group's registered office at 80 Cheapside, London, EC2V 6EE.

Review of the year

The turnover for the Association for the year ended 31 March 2021 was £18.1m (2020: £17.7m), the movement relates to an increase in social housing lettings. The operating profit has increased to £7.6m (2020: £7.0m). The underlying operating profit, excluding sale of fixed assets and revaluation of investment properties, has increased by 9% from £6.9m to £7.5m. The underlying operating margin has increased to 41.7% (2020: 39.1%) due to the increase in social housing lettings. During the COVID-19 pandemic, Cotman Housing Association was still able to continue to safely deliver services to its customers and maintain its performance margins.

Customer Participation

A comprehensive set of structures exists to ensure that there is effective communication between the Association and its customers.

Internal Control

The Group Board has reviewed the effectiveness of the system of internal control for the year ended 31 March 2021 and up to the date of signing these financial statements. It has not identified any weaknesses which resulted in material losses or contingencies or other uncertainties which require disclosure in the financial statements.

Board and Committee Structure

The board of Directors of Places for People Group ("the Group") is responsible for setting strategies and budgets for the whole Group and co-ordinating the Group's activities. Places for People Group Limited exercises control over Cotman Housing Association Limited through an Independence and Responsibilities Agreement, a Service Level Agreement and powers granted to Places for People Group Limited in its rules.

The Group board has delegated certain matters to committees of the board of Places for People Group.

Corporate Governance

Cotman's governance arrangements have been developed to meet the standards of the National Housing Federation's (NHF) Code of Governance (2015 Edition). Cotman's position on choice of code is different to that of the rest of the Group for reasons that are rooted in the past and no longer prevail. For this reason, the Cotman board has now adopted the UK Corporate Governance Code and this code will be applied in respect of the 2021/22 financial year.

The review of Cotman board activity and its degree of compliance with its current code has been prepared by management with the support of the outgoing board members. The review concluded that Cotman complied with the requirements of the NHF Code except where that was not possible owing to its position as a subsidiary within a group in which some roles and responsibilities are discharged centrally. The review concluded that governance arrangements for Cotman operated effectively and that the Cotman board had operated effectively in the relevant period.

The Group has an Audit & Risk Committee, a Remuneration & Nominations Committee, a Development Committee and a Treasury Committee. The remit of those committees extends to the Association and its business. The committees draw members from and report to the Group Board. During the year, it was agreed that the Group Board should take direct responsibility for oversight of the Affordable Housing business conducted through the Group's regulated subsidiaries. On 1 May 2021, the members of the Group Board were appointed members of the board of the Association and now have full oversight of the operations of the Association. This will further ensure that the provisions of any chosen code are met in respect of the Association.

Board members consider the report and accounts, taken as a whole, to be fair, balanced and understandable.

Cotman Housing Association Limited
Report of the Board
For the year ending 31 March 2021

Going concern statement

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. The global Covid-19 pandemic has inevitably presented a series of unprecedented challenges into aspects of all our businesses. The Board continues to monitor the evolving situation, is focussed on mitigating the risks for the Group and has assessed the going concern in light of the risks raised by the pandemic.

At 31 March 2021 the Places for People Group (Group) had cash and undrawn facilities of £954.6m. The Group continues to actively manage its cash flows in order to mitigate any reductions in income.

The Group has reviewed all of its business forecasts and projections and has produced a revised business plan for the year ending 31 March 2021. Although the full impact of Covid-19 is still unknown, the Group has produced its forecasts on the latest information and experience in the markets in which it operates. In addition to the reviewed forecasts, the directors have also undertaken stress testing on these forecasts to understand the impact of an increasing severity of the implications from the pandemic.

The directors have reviewed the projected cash flows covering a period of 12 months from the date of the approval of the financial statements, which indicate that the Group will be able to operate within the levels of its agreed facilities and the compliance with debt covenants. For the purposes of both Viability and Going Concern, the Directors have overlaid several severe but plausible, multi-variant scenarios with specific considerations for the potential impact of the ongoing Covid-19 pandemic. These scenarios include a short-term impact on rent collection, further closure of Leisure centres and a downturn of the housing market affecting property sales.

As a result of these assumptions, and before any cost reductions are applied, management believe the liquidity of the Group at 31 March 2022 would be £750m and £462m at 31 March 2023 if the Group did not raise any additional finance to that which is currently available.

Cotman Housing Association Limited is part of the Guarantor Group and accesses funding from this Group pool, therefore the liquidity position of the Group supports the going concern assumption for the association.

On the basis described above, the directors are confident that the Group has adequate resources to continue to meet all liabilities, as and when they fall due, for 12 months from the date of approval of the financial statements and therefore consider it appropriate to adopt the going concern basis in preparing these financial statements.

Viability statement

The UK Corporate Governance Code requires the directors to make a statement with regard to the viability of the Group. This requires consideration of solvency and liquidity over a longer period than the going concern assessment. The Group's strategic plan covers a 10-year period, over which the directors have made assumptions regarding revenues, operating costs and cash requirements.

The projections for the first three years of the plan are based on current opportunities and include an expectation of the rental incomes. There is inherently less certainty in the projections from years four to ten. Consistent with prior years, the directors have therefore determined that three years is an appropriate period for this viability statement.

In assessing the Group's prospects and resilience, the management produced projections which considered the Group's current business position and risk appetite. The projections have undergone rigorous single and multi-variate stress testing through consideration of several events, scenarios and mitigation factors, which identify the mix of extreme circumstances that could create challenging conditions for the Group, including a downturn in the housing market. These events and scenarios have been selected from an analysis of the operating environment; policy and politics; the regulatory framework; the Group risk register; and analysis of economic and financial market trends and risks. The results confirmed that the Group would continue to be able to settle projected liabilities as they fall due over a three-year period.

The directors continue to specifically consider the impact of the ongoing Covid-19 pandemic. The key financial risks identified from the Covid-19 pandemic, in the prior year, have been mitigated thus far. The Board continues to review and monitor the situation closely, to ensure mitigations remain relevant and consistent due to the continuing uncertainty arising from the Covid-19 pandemic.

Having assessed the prospects of the Group, including the Group's current funding, forecast requirements, existing committed borrowing facilities, the directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to March 2024.

In making this statement the directors understand that there is inherent uncertainty in all business planning and therefore as a result it is not possible to consider every risk and eventuality that the Group may face. The Board is satisfied that the stress testing that is performed on the Group's business plan includes all the major risks that the Group may face and therefore provides strong assurance of the Group's financial viability.

Cotman Housing Association Limited
Report of the Board
For the year ending 31 March 2021

Compliance with the Regulator of Social Housing's Governance and Financial Viability Standard

The Association has assessed the position and confirms that it has complied with The Regulator of Social Housing's Governance and Financial Viability Standard.

Statement of Disclosure to the Auditors

At the time of approval of this report:

- a) so far as the Board Members are aware, there is no relevant audit information of which the Association's auditor is unaware, and
- b) the Board Members have taken all steps that they ought to have taken as Board Members in order to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

Statement of Board's responsibilities in respect of the Board's report and the financial statements

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
 - make judgements and estimates that are reasonable and prudent;
 - state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
 - assess the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

By order of the Board



C Martin
Secretary

1 September 2021

Cotman Housing Association Limited
Report of the Independent Auditor
For the year ending 31 March 2021

Independent auditor's report to Cotman Housing Association Limited

Opinion

We have audited the financial statements of Cotman Housing Association Limited ("the Association") for the year ended 31 March 2021 which comprise the Statement of Financial Position, Statement of Comprehensive Income and Statement of Changes in Reserves and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Association as at 31 March 2021 and of its income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the Association or to cease its operations, and as they have concluded that the Association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board's conclusions, we considered the inherent risks to the Association's business model and analysed how those risks might affect the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Association's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit and Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet internal performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from property sales is overstated and the risk that Association management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Association-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by unexpected individuals, journals containing specific words, journals posted to seldom used accounts, and journals posted to cash and turnover that were considered outside of the normal course of business.
- Assessing whether revenue transactions either side of the year end were recognised in the correct period.

Cotman Housing Association Limited
Report of the Independent Auditor
For the year ending 31 March 2021

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Association is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Association is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related cooperative & community benefit society legislation), taxation legislation, pensions legislation and specific disclosures required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Association is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of co-operative & community benefit society legislation recognising the nature of the Association's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Other information

The Association's Board is responsible for the other information, which comprises the Report of the Board. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

- the association has not kept proper books of account; or
- the association has not maintained a satisfactory system of control over its transactions; or
- the financial statements are not in agreement with the association's books of account; or
- we have not received all the information and explanations we need for our audit.

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 5, the Association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 it either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association those matters we are required to state to it 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 for our audit work, for this report, or for the opinions we have formed.



Harry Mears
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

17 September 2021

Cotman Housing Association Limited
Statement of Comprehensive Income
For the year ending 31 March 2021

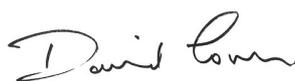
	Notes	2021 £'000	2020 £'000
Turnover	2	18,084	17,738
Cost of sales	2	(203)	(320)
Operating costs	2	(10,338)	(10,485)
Surplus on sale of fixed assets	4	34	165
Gain/(loss) on revaluation of investment properties	12	-	(64)
Operating surplus before interest	2	7,577	7,034
Interest receivable and similar income	5	10	49
Interest payable and similar charges	6	(817)	(888)
Surplus on ordinary activities before and after taxation		6,770	6,195
Actuarial loss recognised in the pension scheme	20	(641)	-
Actuarial gain recognised in the pension scheme	20	-	460
Total comprehensive income for the year		6,129	6,655

The notes on pages 11 to 28 form an integral part of these financial statements.

The financial statements on pages 8 to 28 were approved by the Board of Directors on 1 September 2021, and signed on its behalf by:



R Gregory
Chair



D Cowans
Board Member



C Martin
Secretary

Cotman Housing Association Limited
Statement of Financial Position
At 31 March 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Housing properties	11	96,771	95,491
Fixed asset investments	12	206	206
Other tangible fixed assets	13	601	646
		<u>97,578</u>	<u>96,343</u>
Current assets			
Stock	14	72	196
Debtors	15	2,101	1,589
Cash at bank and in hand		13,715	10,576
		<u>15,888</u>	<u>12,361</u>
Creditors - amounts falling due within one year	16	(4,263)	(4,148)
Net current assets		<u>11,625</u>	<u>8,213</u>
Non-current liabilities			
Creditors - amounts falling due after more than one year	17	(55,220)	(57,205)
Pension liability	20	(991)	(488)
		<u>52,992</u>	<u>46,863</u>
Net assets		<u>52,992</u>	<u>46,863</u>
Capital and Reserves			
Revenue reserves		52,992	46,863
Total capital and reserves		<u>52,992</u>	<u>46,863</u>

The notes on pages 11 to 28 form an integral part of these financial statements.

The financial statements on pages 8 to 28 were approved by the Board of Directors on 1 September 2021, and signed on its behalf by:



R Gregory
Chair



D Cowans
Board Member



C Martin
Secretary

Cotman Housing Association Limited
Statement of Changes in Reserves
For the year ending 31 March 2021

	Total Reserves £'000
Balance at 1 April 2020	46,863
Surplus for the year	6,770
Actuarial loss recognised in the pension scheme	(641)
Balance at 31 March 2021	<u>52,992</u>

The notes on pages 11 to 28 form an integral part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting

A summary of the principal accounting policies, which have been applied consistently, is set out below.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Accounting Direction for Private Registered Providers of Social Housing 2019. The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator Social Housing (ROSH) as a housing provider.

The Association's ultimate parent undertaking, Places for People Group Limited, includes the Association in its consolidated financial statements. The consolidated financial statements of Places for People Group Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Places for People Group Limited, 80 Cheapside, London, EC2V 6EE. The Association is considered to be a qualifying entity for the purposes of FRS 102 and has applied the exemptions available under FRS 102.1.11 and FRS 102.1.12.

The financial statements are presented in Sterling (£'000s).

Going Concern

The directors, after reviewing the company's budgets for 2021/22 and the group's medium term financial position as detailed in the 30-year business plan, including changes arising from the Covid-19 pandemic, are of the opinion that, taking account of severe but plausible downsides, the company will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

Significant Judgements

The following are the significant judgements, apart from those involving estimations (which are set out separately below), that have been made in the process of applying the Association's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

1. ACCOUNTING POLICIES (Continued)

Going Concern

In order to assess whether it is appropriate for the Association to be reported as a going concern, the management apply judgement, having undertaken appropriate enquiries and having considered the business activities and the principal risks and uncertainties. In arriving at this judgement there are a large number of assumptions and estimates involved in calculating future cash flow projections. This includes management's expectations of both property sales and rental turnover, operating costs, timing and quantum of future capital expenditure and estimates and cost of future funding. The Directors have overlaid several severe but plausible, multi-variant scenarios with specific considerations for the potential impact of the ongoing Covid-19 pandemic, in respect of these assumptions used within the going concern assessment and to aid sensitivity analysis. As a result of these considerations the financial statements have been prepared on a going concern basis.

Investment properties

The Association owns a range of different property types. This requires the Association to assess which properties should be classified as investment properties as these properties are held at a market valuation, not at depreciated cost.

The Association considered the FRS 102 definition of investment property which refers to property held to earn rentals for capital appreciation, rather than for administrative purposes or for sale in the ordinary course of business. The Association has also reviewed Section 16 of FRS 102 that precludes the classification of property held primarily for the provision of social benefits being classified as investment property. The Association has applied this by judging that rental properties without public subsidy attached to them are investment properties.

Accounting estimates

The nature of estimation means that actual outcomes may differ from the estimates made.

Residual value of social housing properties

It is considered that the estimate of residual value of social housing properties has a significant impact on the carrying amount of social housing assets. The Association considers the residual value of social housing property structure to be cost. The net book value of completed social housing properties is £96.0m. The residual value of social housing property structure is £9.5m above the carrying value as at 31 March 2021. A 10% reduction in residual value would result in no impact to the depreciation charge.

Defined benefit pension schemes

The Association has defined benefit obligations relating to one pension scheme. Note 20 sets out the details for these schemes and the assumptions made to assess the net scheme benefit as at the reporting date. The Association engages qualified actuaries to advise on an appropriate discount rate. A decrease in the discount rate used of 0.1% is estimated to reduce scheme total deficits by £111k.

Investment properties

In addition to judging whether or not properties are categorised as investment properties, the Association is also required to estimate the fair value of investment properties on an annual basis. To facilitate this estimation, the Association engaged Savills, a leading professional adviser, to use RICS guidance and the requirements of the Red Book to complete a full valuation of the Association's investment properties. The results of the valuation exercise have been subjected to management scrutiny and challenge.

1. ACCOUNTING POLICIES (Continued)

Investment properties

Properties held for rental income or capital appreciation that are not held primarily for the provision of social benefit are held as investment properties at fair value, with changes to the fair value recognised in the statement of comprehensive income.

Other fixed assets

Other fixed assets are recognised initially at cost and subsequently held at the lower of depreciated cost or its recoverable amount.

Depreciation

Fixed assets, other than freehold land and investment properties, are depreciated at rates calculated to reduce the net book value of each component element to its estimated residual value, on a straight line basis over the expected remaining useful economic life of the component. Freehold land is not depreciated. The estimated lives of assets and components is as shown in the table below.

<u>Assets</u>	<u>Depreciation period (years)</u>
<u>Rented housing & commercial properties:</u>	
Kitchens	20
Bathrooms	20
Boilers	15
External windows & doors	30
Roofs	45
Fire safety systems	20
Fencing	30
Digital TV aerials	10
Lifts	20
Social Alarms	From 20-40
Surveys	15
Initial and replacement scheme assets	From 1-5
Other elements (new build)	From 100-125
Other elements (rehab)	80
Other elements (leasehold)	Lesser of term of lease or 100 years
<u>Shared Ownership housing:</u>	
All elements (new build)	100
All elements (rehab)	80
All elements (leasehold)	Lesser of term of lease or 100 years
<u>Other fixed assets:</u>	
Offices (new build)	100
Offices (rehab)	80
Office refurbishment	From 10-20
Offices (long leasehold)	Lesser of term of lease or 100 years
Offices (short leasehold)	Terms of lease
Plant & Equipment	5
Cars and commercial vehicles	5
Computer hardware, software and infrastructure	From 3-15

1. ACCOUNTING POLICIES (Continued)

Turnover

Turnover represents rental and service charge income receivable (net of void losses), income from the sale of properties, income from the sale of the first tranche of shared ownership properties, fees and grants from local authorities and Homes England and other income.

Rental income is recognised from the point the property becomes available for letting, net of any voids. Income from land and property sales is recognised when the risks and rewards of ownership have passed to the purchaser. Other income is recognised upon the delivery of services.

Government grant is recognised in turnover over the expected lives of the assets to which it relates.

All turnover arises from activities within the United Kingdom.

VAT

The majority of the Association's turnover is exempt from VAT. However, certain activities are subject to VAT and give rise to VAT recovery. Where appropriate, costs are stated including irrecoverable VAT.

Pensions

Employees joining the Association have the option of joining the Places for People Group Stakeholder Scheme ('Stakeholder Scheme'), a defined contribution scheme. The costs of contributing to the Stakeholder Scheme are accounted for as an expense in the year in which they occur. Contributions from the Association and participating employees are paid into independently administered funds. These payments are made in accordance with triennial calculations by professionally qualified independent actuaries.

Pension scheme assets are measured by independent experts using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

Pension scheme deficits are recognised in full. The movement in scheme deficit is split between operating charges, finance costs and, in other comprehensive income, actuarial gains and losses.

The Association participates in the Social Housing Pension Scheme (SHPS), a multi-employer defined benefit scheme. During the year, the Association recognised its individual share of the SHPS scheme deficit following an exercise carried out by independent actuaries to identify each member's share of the deficit. In previous years, the Association recognised a liability based on the present value of the agreed deficit reduction contributions. The change in the liability as a result of the change in estimate has been recognised in other comprehensive income. The in-year movement in the scheme deficit is split between operating charges, finance costs and, in other comprehensive income, actuarial gains and losses.

Housing Properties

Housing properties are those held primarily for the provision of social benefits. Housing properties are stated at the lower of depreciated cost or its recoverable amount. Cost is taken as the purchase price together with costs of acquisition and improvements, attributable administrative costs and interest costs incurred, including related development and administrative costs and interest payable.

The Association capitalises expenditure on housing properties which results in an increase in either the existing use value of the property or the disposal value of the property.

Impairment

An impairment review is undertaken when there is an indication the asset may be impaired. If any assets in relation to social housing activity are found to be impaired, the amount of impairment is disclosed in Note 3.

When undertaking impairment reviews to assess whether assets or cash generating units are held at the lower of cost or recoverable amount, recoverable amount is defined as its value in use. Recoverable amount is normally assessed using discounted cash flow techniques for all anticipated cash flows to generate a net present value.

Costs are assigned to all schemes on a detailed basis, including mixed tenure schemes.

The Association defines cash generating units as housing schemes except where its schemes are not sufficiently large enough in size and it is more appropriate to consider individual assets. This approach supports effective appraisal of housing schemes as it aligns with the management and operation of the business.

1. ACCOUNTING POLICIES (Continued)

Social Housing Grant and Other Capital Grant

Government grants are included within creditors in the statement of financial position and credited to the statement of comprehensive income over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

When Social Housing Grant (SHG) in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

Financial Instruments

The Association has elected to apply the recognition and measurement provisions of International Accounting Standard 39 as allowed by FRS 102 sections 11 and 12. Financial instruments are initially recorded at fair value. Subsequent measurement depends on the designation of the instrument as follows:

- Other assets, including trade investments and joint venture investments and assets that are short-term in nature such as cash and receivables are predominantly categorised as loans and receivables and measured at amortised cost using the effective interest method.

- Financial liabilities are predominantly measured at amortised cost using the effective interest method.

The effective interest rate includes interest and all directly attributable incremental fees and costs.

Cash at bank and in hand in the statement of financial position comprises all cash and cash equivalents that mature or are convertible within one day or less.

The Association is required to set aside sums in respect of future maintenance of certain properties subject to leasehold arrangements. These sums are held in a separate bank account to which interest is added and tax deducted. Amounts accumulated in the fund are included within current asset investments and within creditors in the statement of financial position.

Other debtors, including tenant arrears, and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income.

Stock

Properties purchased for improvement for sale are treated as current assets and all other housing properties are treated as tangible fixed assets. Properties held as current assets are stated at the lower of cost and estimated selling price less costs to complete and sell.

Stock includes assets under construction and those purchased for improvement prior to sale. Stock is stated at the lower of cost and estimated selling price less costs to complete and sell with any provisions being charged to cost of sales. The cost of stock is the purchase price together with costs of acquisition and attributable overhead costs.

Cotman Housing Association Limited
Notes to the Financial Statements
For the year ending 31 March 2021

2. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	2021					2020				
	Turnover	Cost of sales	Operating costs	Other operating items	Operating surplus/ (deficit)	Turnover	Cost of sales	Operating costs	Other operating items	Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 3)	17,608	-	(10,214)	-	7,394	17,139	-	(10,247)	-	6,892
Other social housing activities										
Social housing property sales	-	-	-	-	-	-	-	(11)	-	(11)
Shared ownership property sales	296	(203)	(12)	-	81	372	(320)	(20)	-	32
Charges for support services	-	-	(1)	-	(1)	-	-	(2)	-	(2)
	17,904	(203)	(10,227)	-	7,474	17,511	(320)	(10,280)	-	6,911
Non-social housing activities	180	-	(111)	-	69	227	-	(205)	-	22
	18,084	(203)	(10,338)	-	7,543	17,738	(320)	(10,485)	-	6,933
Surplus on sale of fixed assets	-	-	-	34	34	-	-	-	165	165
Gain/(loss) on revaluation of investment properties	-	-	-	-	-	-	-	-	(64)	(64)
	18,084	(203)	(10,338)	34	7,577	17,738	(320)	(10,485)	101	7,034
Analysis of turnover	2021	2020								
	£'000	£'000								
Social housing turnover	17,904	17,511								
Non-social housing activities										
Non social housing lettings	28	-								
Older persons floating support project	139	150								
Other	13	77								
	18,084	17,738								

Cotman Housing Association Limited
Notes to the Financial Statements
For the year ending 31 March 2021

3. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	2021			2020	
	General needs housing £'000	Supported housing & housing for older people £'000	Low cost homeownership £'000	Total £'000	Total £'000
Income from social housing lettings activities					
Rent receivable net of identifiable service charges	13,719	833	632	15,184	14,921
Service charge income	844	533	95	1,472	1,502
Amortised government grants	820	21	4	845	581
Other income	98	8	1	107	135
Turnover from social housing lettings	15,481	1,395	732	17,608	17,139
Expenditure on housing lettings activities					
Management costs	(1,691)	(135)	(80)	(1,906)	(1,892)
Service charge costs	(879)	(462)	(77)	(1,418)	(1,382)
Routine maintenance	(1,988)	(195)	(22)	(2,205)	(2,207)
Planned maintenance	(586)	(28)	(12)	(626)	(545)
Major repairs expenditure	(83)	(19)	(2)	(104)	(393)
Bad debts	(44)	(11)	(3)	(58)	(43)
Depreciation on housing assets	(560)	(119)	(1)	(680)	(670)
Intra group property recharges	(2,936)	(239)	(42)	(3,217)	(3,102)
Other costs	-	-	-	-	(13)
Total expenditure on lettings	(8,767)	(1,208)	(239)	(10,214)	(10,247)
Operating surplus on social housing lettings	6,714	187	493	7,394	6,892
Void Losses	(139)	(64)	(4)	(207)	(146)

4. SALE OF FIXED ASSETS

	2021	2020
	£'000	£'000
Proceeds	205	340
Book value	(169)	(163)
Selling costs	(2)	(12)
Surplus on sale of fixed assets	34	165

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£'000	£'000
Interest receivable on amounts due from related undertakings	10	42
Interest receivable on cash deposits	-	7
	10	49

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£'000	£'000
In respect of bank loans and overdrafts	810	867
Interest on pension scheme liabilities	10	25
Less: capitalised interest	(3)	(4)
	817	888
Capitalisation rate used to determine the finance costs capitalised during the year:	2.50%	2.50%

7. SURPLUS ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION

	2021	2020
	£'000	£'000
The surplus on ordinary activities before and after taxation is stated after charging:		
Tangible fixed assets depreciation and impairment	718	674
Operating lease payments on motor vehicles	5	7
Auditor's remuneration	12	12
Surplus on sale of fixed assets	34	165

Cotman Housing Association Limited
Notes to the Financial Statements
For the year ending 31 March 2021

8. TAXATION

The Association has charitable status and is exempt from corporation taxation under the provisions of Section 505 of the Income and Corporation Taxes Act 1988 therefore there is no corporation tax payable in either 2021 or 2020.

9. BOARD OF MANAGEMENT EMOLUMENTS

The emoluments payable to the non-executive directors in 2021 were £18,230 (2020: £20,791).

Total emoluments (excluding pension contributions) for 2021 payable to the Managing Director were £nil (2020: £254,161).

The Managing Director was an ordinary member of The Social Housing Pension Scheme with no enhanced special terms. There were no additional pension arrangements. The aggregate contribution made by the Association in 2021 was £nil (2020: £9,875).

During the year, four members (2020: two) of the Board of Management had their emoluments met fully by Places for People Group Limited as they were also directors of other companies within the Places for People Group. These emoluments are disclosed in the Places For People Group financial statements.

The number of directors who received emoluments in the following ranges was:

	2021	2020
	No.	No.
£250,000 - £260,000	-	1

10. EMPLOYEE INFORMATION

The average number of employees expressed as full time equivalents employed during the year was:

	2021	2020
	No.	No.
Managing housing services	19	21
Central administration services	5	5
Care services	2	2
	26	28

Average number of employees is calculated by ascertaining for each calendar month in the financial year, the number of persons, by category, employed by the company. The monthly numbers are then added together and divided by the number of months in the financial year.

	2021	2020
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	746	1,044
Severance costs	16	147
Social security costs	63	82
Other pension costs	73	94
	898	1,367
	2021	2020
	£'000	£'000
Staff costs (for the non-executive members of the board):		
Wages and salaries	18	21

11. HOUSING PROPERTIES

	Housing properties and land	Completed LSE & Shared Ownership housing properties	Housing properties in the course of construction	LSE & Shared Ownership properties in the course of construction	Total housing properties
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2020	104,715	6,789	306	5	111,815
Additions	-	-	1,973	142	2,115
Transfer to completed schemes	1,624	20	(1,624)	(20)	-
Change of tenure	51	(4)	-	-	47
Disposals	-	(167)	-	-	(167)
At 31 March 2021	106,390	6,638	655	127	113,810
Depreciation and impairment					
At 1 April 2020	(16,124)	(200)	-	-	(16,324)
Charge for year:					
Depreciation	(713)	-	-	-	(713)
Change of tenure					
Depreciation	(2)	-	-	-	(2)
At 31 March 2021	(16,839)	(200)	-	-	(17,039)
Net book value at 31 March 2021	89,551	6,438	655	127	96,771
Net book value at 1 April 2020	88,591	6,589	306	5	95,491

LSE denotes Leasehold Schemes for the Elderly.

	2021	2020
	£'000	£'000
Household properties comprise:		
Freehold	109,287	107,336
Long leasehold	4,523	4,479
	113,810	111,815

Additions to property costs include an apportionment of staff time directly spent on the administration of development activities amounting to £nil (2020: £74,000).

Expenditure on major works to existing properties during the year was £0.7m (2020: £0.6m).

Additions to housing properties in the course of construction during the year include capitalised interest of £2,600 (2020: £3,600).

12. FIXED ASSETS INVESTMENTS

Investment properties

	2021	2020
	£'000	£'000
At 1 April 2020	206	270
Revaluation in year	-	(64)
At 31 March 2021	206	206

13. OTHER FIXED ASSETS

	Plant & specialist equipment	Computer Equipment	Freehold commercial properties	Fixtures & Fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2020	43	55	672	20	790
Additions	8	-	-	-	8
Change of tenure	-	-	(50)	-	(50)
At 31 March 2021	51	55	622	20	748
Depreciation					
At 1 April 2020	(43)	(55)	(26)	(20)	(144)
Charge for year	-	-	(5)	-	(5)
Change of tenure	-	-	2	-	2
At 31 March 2021	(43)	(55)	(29)	(20)	(147)
Net book value at 31 March 2021	8	-	593	-	601
Net book value at at 1 April 2020	-	-	646	-	646

14. STOCK

	2021	2020
	£'000	£'000
Housing properties for sale		
Buildings - Completed	-	193
Buildings - In progress	72	3
	72	196

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Rental debtors	507	517
Less: Provision for bad and doubtful debts	(93)	(152)
	414	365
Other trade debtors	35	103
Capital debtors	-	41
Amounts due from related undertakings	1,364	843
Sundry debtors, prepayments and accrued income	288	237
	2,101	1,589

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Housing loans	954	952
Deferred Government Grant	767	578
Interest on housing loans	136	146
Trade creditors	248	227
Other taxes	1	11
Capital development creditor	376	354
Other creditors and accruals	767	781
Payments received on account	587	580
Prepaid rent	427	519
	4,263	4,148

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£'000	£'000
Debt		
Housing and bank loans	17,487	18,441
Other financial liabilities		
Recycled Capital Grant Fund (note 18)	203	120
Deferred Government Grant	37,530	38,644
Creditors falling due after more than one year	55,220	57,205

Analysis of debt and other financial liabilities

These are repayable as follows:	2021	2020
	£'000	£'000
In one year or less	954	952
In one year or more but less than two years	957	954
In two years or more but less than five years	6,062	4,551
In five years or more		
By instalments	10,468	11,436
Not by instalments	-	1,500
	18,441	19,393

All loans are secured by specific charges on the Association's housing properties and are repayable at varying rates of interest, from 0.28% - 10.98% in instalments.

18. RECYCLED CAPITAL GRANT

		2021	2020
		£'000	£'000
At 1 April		120	97
Inputs to reserve:	Grant recycled	83	23
	Transferred from related undertaking	-	160
Outputs from reserve:	New Build	-	(160)
At 31 March		203	120
		<u>-</u>	<u>-</u>
Amounts 3 years old or older where repayment maybe required		<u>-</u>	<u>-</u>

19. NON-EQUITY SHARE CAPITAL AND LOAN STOCK

		2021	2020
		£	£
Share capital			
At 31 March		177	177
£1 loan stock			
Shares in Cotman Housing Services Limited converted to loan stock		20	20

On the transfer of engagements of Cotman Housing Services Limited to Cotman Housing Association Limited on 10 February 1997 those members of Cotman Housing Services who were already members of Cotman Housing Association were issued with £1 loan stock in lieu of shares in Cotman Housing Association Limited.

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up.

20. PENSION OBLIGATIONS

The pensions costs for Cotman Housing Association Limited relate to two schemes of which employees are members; the Places for People Group Stakeholder Scheme and the Social Housing Pension Scheme.

The Places for People Group Stakeholder Scheme

Employees joining the Group from 1 September 2004 have the option of joining a defined contribution retirement benefit scheme - the Places for People Stakeholder Pension Plan and Group Life Assurance Scheme.

The total cost charged to the statement of comprehensive income of £69k (2020: £89k) represents contributions payable to these schemes by the Association at rates specified in the rules of the plan.

The Social Housing Pension Scheme (SHPS)

The Association participates in the Social Housing Pension Scheme (SHPS), a multi-employer scheme which provides benefits to non-associated employers.

SHPS is a defined benefit scheme in the UK and 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 2017. This valuation revealed a deficit of £1,522m. A recovery plan has been put in place with the aim of removing this deficit by 30 September 2026.

SHPS is classified as a 'last-man standing arrangement'. Therefore the company 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 had not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Group has previously accounted for SHPS as a defined contribution scheme. For financial years ending on or after 31 March 2019, it was possible to obtain sufficient information to enable the company to account for the scheme as a defined benefit scheme.

The mortality assumption used at 31 March 2021 is that a male currently aged 65 years old has a life expectancy of 21.6 years (2020: 21.5 years), a female currently aged 65 years old has a life expectancy of 23.5 years (2020: 23.3 years), a male currently aged 45 years old has a life expectancy of 42.9 years (2020: 42.9 years) and a female currently aged 45 years old has a life expectancy of 45.1 years (2020: 44.5 years).

The major assumptions used by the actuary were:

	2021	2020
Discount rate	2.10%	2.60%
Price inflation (RPI)	3.30%	2.90%
Price inflation (CPI)	2.60%	1.90%
Salary growth	3.86%	2.65%

The major categories of assets as a percentage of total assets are as follows:

	2021	2020
Diversified growth funds	14.5%	14.5%
Equities	19.9%	18.0%
Liability driven investments	36.4%	36.6%
Absolute return bonds	8.5%	9.9%
Corporate bonds	5.9%	5.7%
Other fixed interest	6.0%	3.8%
Insurance linked securities	2.4%	3.1%
Direct lending	2.4%	4.4%
Property	4.0%	4.0%
	100.0%	100.0%

20. PENSION OBLIGATIONS (Continued)

Amounts recognised in the Statement of Financial Position	2021	2020
	£'000	£'000
Fair value of plan assets	4,685	4,451
Present value of defined benefit obligation	(5,676)	(4,939)
Net liability recognised in the statement of financial position	(991)	(488)
Analysis of amounts recognised in the Statement of Comprehensive Income	2021	2020
	£'000	£'000
Expected return on plan assets	116	108
Interest on scheme liabilities	(126)	(133)
Amounts charged to other finance costs	(10)	(25)
Amounts recognised in Other Comprehensive Income	2021	2020
	£'000	£'000
Actuarial (loss)/gain in pension scheme	(641)	460
Movement in fair value of plan assets	2021	2020
	£'000	£'000
As at 1 April	4,451	4,307
Interest on plan assets	116	108
Company contributions	153	149
Benefits paid	(162)	(125)
Return on plan assets less interest	127	12
As at 31 March	4,685	4,451

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20. PENSION OBLIGATIONS (Continued)

Movement in present value of defined benefit obligation	2021	2020
	£'000	£'000
As at 1 April	4,939	5,374
Current service costs	5	5
Interest costs	126	133
Benefits paid	(162)	(125)
Gains from changes to demographic assumptions	22	68
Losses from changes to financial assumptions	959	(421)
Actuarial gain on obligation	(213)	(95)
As at 31 March	5,676	4,939

21. CAPITAL COMMITMENTS

The commitments under non-cancellable operating leases for the following year, analysed according to the period in which each lease expires are set out below.

	Motor vehicles	Motor vehicles
	2021	2020
	£'000	£'000
In one year or less	-	6
In more than one year and less than two years	-	2
	-	8
	2021	2020
	£'000	£'000
Capital expenditure that has been authorised and contracted for but has not been provided for in the financial statements	1,741	814
Additional Capital expenditure that has been authorised by the Board of Directors	4,451	9,265

The above commitments will be financed in accordance with the Place for People Group treasury management policy which is detailed in the Places for People Group consolidated accounts.

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Notes to the Financial Statements
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22. HOUSING STOCK

The Association owns or manages 3,327 housing properties, a breakdown of these housing properties is shown below:

	2020	Units developed or newly built units acquired	Units sold/ demolished	Transfers (to)/from other RPs	Other movements	2021
	No.	No.	No.	No.	No.	No.
Social housing owned						
- General Needs Housing	1,141	-	-	-	-	1,141
- Affordable Housing	283	9	-	-	-	292
- Supported Housing	81	-	-	-	-	81
- Housing for Older people	102	-	-	-	-	102
- Low cost home ownership accommodation	103	5	(1)	-	-	107
Total social housing owned	1,710	14	(1)	-	-	1,723
Social housing managed						
- General Needs Housing	2,633	-	(1)	(73)	(35)	2,524
- Affordable Housing	330	9	-	(5)	(2)	332
- Supported Housing	100	-	(2)	-	-	98
- Housing for Older people	141	-	-	-	-	141
- Low cost home ownership accommodation	42	-	(1)	(9)	(1)	31
Total social housing managed	3,246	9	(4)	(87)	(38)	3,126
					2021	2020
					No.	No.
Total social housing units managed but not owned					1,544	1,623
					2021	2020
					No.	No.
Non-social housing managed						
- Leased housing - freehold only					74	75
Total non-social housing managed					74	75
Total Social housing managed					3,126	3,246
Total housing managed					3,200	3,321
Total non-social housing owned but managed by another body					127	87
Total housing owned or managed					3,327	3,408
Garages, commercial premises and other non-residential units managed or serviced					12	10
Total residential and non-residential units managed or serviced					3,339	3,418

23. CONTINGENT LIABILITY

The Association, together with some fellow subsidiaries of the Places for People Group, has guaranteed to holders of debt issued by members of the Places for People Group, the principal amount and interest accrued in respect of certain debts in the event of default by the issuing entity.

The total capital outstanding at 31 March 2021 in respect of such guarantees was £1,498.3m (2020: £1,586.4m). The total interest accrued at 31 March 2021 relating to this debt was £16.6m (2020: £17.0m).

These represents the maximum exposure for the Association.

The directors consider it extremely unlikely that the Association would be required to make any payments in respect of this guarantee.

24. RELATED PARTIES

Under Section 33 of FRS 102 defined benefit pension schemes are considered to be related parties. Employees of the Association are members of the following defined benefit schemes: The Social Housing Pension Scheme, The Places for People Group Retirement Benefit Scheme, The Places for People Group Stakeholder Scheme. Details of transactions with the schemes are disclosed in note 20.

Cotman Housing Association Limited is a subsidiary of the Places for People Group Limited, 80 Cheapside, London, EC2V 6EE. Since the parent company publishes consolidated group accounts, the Association has taken advantage of the exemption not to report transactions with other group members as permitted in FRS 102.33.1A.

No tenants served on the Board of Cotman Housing Association Limited during the year.