

trust

Affordable homes.  
Exceptional care.

# Review & Accounts

For the financial year 2022/23





Affordable homes.  
Exceptional care.

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Trust Housing Association Limited is a Registered Scottish Charity No. SC009086  
Registered by the Scottish Housing Regulator HEP 143

Registered under the Co-operative & Community Benefit Societies Act 2014  
Registered Office: 12 New Mart Road, Edinburgh, EH14 1RL



# Introduction from our Chair

This is my first year as Chair of Trust. I am incredibly proud to be part of the Trust Story.



Thinking back over the last few years, it has been a period of significant change, hardship, disruption and challenges, not only in Scotland and the UK, but also globally. To name a few, we've seen Brexit, Covid-19, war in Europe, cost inflation, increased energy costs, higher interest rates and ongoing, stark reminders that climate change is causing increasing destruction to our natural habitats.

As a Board, our role is to safeguard and protect the interest of Trust tenants. At its core, this means ensuring Trust remains financially viable and regulatory compliant, whilst also moving Trust forward to ensure the business is up to speed in the modern world - where digital opportunities and risks such as cyber security are ever more present. Tenant safety, value for money, equality, employee wellbeing and quality of homes all play a leading role in Trust priorities and Board discussions.

Against this backdrop, I would like to recognise the hard work and dedication of our skilled and supportive employees, who go above and beyond every day for our tenants and each other. I am also extremely grateful for the continued service of our highly talented, diverse and ambitious Board and Leadership Team at Trust, who have taken the organisation from strength to strength and sustained a resilient business in the face of adversity. Despite the challenging economic environment, turnover increased and the organisation was able to deliver a surplus of £0.5m before pension loss and meet bank covenants. As Trust is a not for profit charity, any annual surplus remains investment for Trust properties, services and customers.

Trust recognises the pressure placed upon household budgets from the ongoing Cost of Living Crisis. This year we established a Taskforce to explore ways in which we could support our customers. So far, we have successfully secured some external financial support for our most vulnerable tenants. This included a 'Trust Hardship Fund', 'SFHA Winter Hardship Fund' and a 'National Lottery Community Anchor Fund'. Trust will continue to explore potential grant funding opportunities to assist our customers where we can.

Whilst resources and priorities have been re-directed to manage the operational impacts of the pandemic and the cost of living crisis, we have made significant progress in the implementation of our strategy, The Time is Now, which is about delivering a bold vision and sustainable future for Trust's customers and the wider society we serve. It focuses on service excellence for our tenants, continued growth and the acceleration of our investment in technology. It also starts our journey to net zero as we play our part in addressing the climate emergency.

## New Homes & Investment

Trust delivered 42 new energy efficient, social rented homes in the heart of Wishaw – delivered in partnership with Scottish Government, North Lanarkshire council and McTaggart Construction. The finalised works support town centre regeneration and tenants moved into their new homes in January 2023. We also completed a re-modelling project on the vacant day care centre at Lochar Crescent in Pollok, Glasgow. This was completed in March 2023 and delivered 13 'Extra Care' flats in our development, as well as an extended dining room and external improvements.

Going forward, there has been considerable success in developing a pipeline of new build projects which will enable us to deliver our ambitious target of 300 new homes by 2027 under our Time Is Now Strategy. These include developer-led opportunities across the central belt in Glasgow, North Lanarkshire, south Lanarkshire and in North Ayrshire on the Isle of Arran.

Working in partnership with our main contractor 'CCG', we are in the process of delivering 46 new amenity, social rented homes in the centre of Govan, Glasgow with works expected to complete in Spring 2024. The project is funded by a mix of 'Affordable Housing Support Grant' from Glasgow City Council and Trust's Private Finance.



Union Technical have also commenced retrofit works for 18 of our homes in Skye, with upgrades to cavity wall insulation, solar panels and battery storage systems, air source heat pumps and ventilation upgrades to improve thermal efficiency and help tenants reduce their bills.

## Our 50th Birthday

This year, we celebrate our 50th Birthday! Established in October 1973 - born out of a philanthropic movement - Trust was originally called Kirk Care. Since our first development in Bearsden, Trust has grown into a national and modern social landlord, with over 3,600 homes across the length and breadth of Scotland. Our story and culture has been enriched through growth with like-minded people and organisations, most recently its partnership with Wishaw & District Housing Association in 2019.

Trust has been delivering affordable homes and exceptional care for five decades. Whilst we have grown and evolved over the years, we have stayed true to our purpose and values throughout this time.

We are looking forward to celebrating with customers and colleagues across the country over this year.



Trust Office Get Together in June 2023 to celebrate Trust's 50th Birthday.

## Our Re-Brand

Our 50th birthday felt like the right time to introduce a more modern brand for the whole business, and the time also feels right to move away from separate Trust and Wishaw & District brands and websites.

Given the current economic environment we have been very cost sensitive and we have allocated a modest budget for our 50th celebrations. We think we have achieved a new, modern and engaging brand identity at a fraction of the cost of a typical re-brand.

The brand blueprint and identity were developed in 2022 in collaboration over a series of focus groups with customers, employees and board members. All the photography used across the new brand identity and website are of 'real' customers and employees.

The stylisation of the 'r' and 'u' represent the partnership, support and care that lies at the heart of who we are. This also shapes our signature graphic pattern which brings energy to our brand communications.



## Our Board and Executive Team

After a long period of virtual meetings during Covid-19, I am pleased to say that all Board and Audit & Performance Committee Meetings have resumed in person this year.

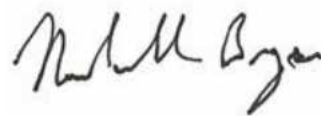
I would like to extend my particular thanks to Nicky McLaughlin for his service. Nicky stepped down from the Board this year to focus on work commitments - I know that his input and presence will be sorely missed.

Our thanks also go to our former Chair John Burke for his incredible contribution to Trust. John stepped down from his position in Sept 2022 after fulfilling his maximum length of service, which included 3 very successful years as Chair. John helped lead in the transformation and growth of the business over the past decade.

Likewise in the year, we saw the retirement of Gail Gourlay, Director of Customer Experience whose dedication and impact on Trust over the past 30 years has been remarkable. Her passion for doing the best

for tenants and customers was always to the fore, alongside her support for colleagues and championing the very positive culture of our organisation.

Thank you to everyone who has been part of Trust's story. Here's to a thriving future and the next 50 years



**Dr Norval Bryson**  
Chair

WE ARE  
**50**



# Business Information

## The Management Board and Executive Officers

### Board Members:

#### Chair:

Dr Norval Bryson

#### Vice-Chair:

Gordon Laurie

#### Board Members:

Paul McFarlane

Ali Ross

Karen Cawte

Kyle Ruparelia

David Knight

Ian Gunning

Mary Niven

Steve McGowan

Ian Mitchelmore

Graham Curran (Appointed Member)

### Audit and Performance Committee Members:

#### Convener:

Paul McFarlane

#### Vice Convener:

Ali Ross

#### Committee Members:

Gordon Laurie

Ian Mitchelmore

David Knight

Ian Gunning

### Directors and Company Secretary:

#### Chief Executive

Rhona McLeod MA

#### Director of Customer Experience

Jennifer Wallace (Appointed 27th March 23)

#### Director of Assets & Sustainability

Jackie McIntosh

#### Director of Finance & People

Zoe Purdie FCA CTA

#### Director of Business Development and Digital

Neil Ferguson BSc (Hons) MPhil

#### Company Secretary

Claire Mottram MSc (appointed 1st May 23)

#### Company Secretary

Mary Strathearn (resigned 30th April 23)

## Advisors

### Auditors:

Anderson Anderson & Brown Audit LLP, 81 George Street, Edinburgh, EH2 3ES (External Auditor)

BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G28JX (Internal Auditor)

### Bankers:

The Royal Bank of Scotland plc, 36 St Andrew Square, Edinburgh EH2 2YB  
Unity Trust Bank, Nine Brindley Place, Birmingham, B1 2HB

Nationwide Building Society, Northampton Admin Centre, Kings Park Rd, Northampton, NN3 6NW

Santander, Customer Service Centre, Bootle, Merseyside, L30 4GB

Clydesdale Bank, Bering House, Mariner Court, Clydebank Business Park, Clydebank, G81 2NR

bLEND Funding Plc, 3rd Floor, 17 St. Swithins Lane, London, EC4N 8AL

### Solicitors:

TC Young, 7 West George Street, Glasgow G2 1BA

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# Board of Management Report

## Our Business Strategy – The Time is Now

*The Time is Now* is our five-year business strategy (2021-26) – Board approved the extension of the implementation period from three to five years in April 2023.

*The Time is Now* sets out a bold vision for Trust and is an investment in a sustainable future for the organisation. It is all about striving for 10/10 experiences and delivering exceptional value, putting customers and empowered frontline teams at the centre of a growing business that is meeting the changing needs of our customers and workforce. It's about continuing to invest in our existing homes and building new ones, and accelerating our investment in technology. It is also about our journey to net zero and a sustainable future as we play our part in addressing the climate emergency.

*The Time is Now's* ambitious implementation plan has been delivered during a period of significant health and economic challenges with resources and priorities re-directed to manage the operational impacts of the pandemic and the cost-of-living crisis. Despite these challenges, significant progress has been made implementing the strategy. Over the last 12 months this has included:

- Aligned to Trust's 50th birthday celebrations, our corporate re-brand and new website are on track to go live in June 2023.
- The delivery of 42 new energy efficient and social rented homes in the heart of Wishaw. The new build project on Park Place – delivered in partnership with the

Scottish Government, North Lanarkshire Council and McTaggart Construction – supports the regeneration of the Wishaw town centre and marks another tenant promise delivered by Trust following the transfer of engagements from Wishaw & District Housing Association in 2019. The first customers moved into their new homes in January 2023.

- As part of our ambitious new build programme we are also on site in the centre of Govan, Glasgow. The development – being delivered in partnership Glasgow City Council and CCG (Scotland) – will provide 46 new social rented and energy efficient homes and is due to complete in spring 2024.
- We are in the process of implementing our new housing management and CRM system – Rubixx – which will provide the foundations for delivering a range of online services to our customers, and will support our new operating model and digital strategy. Phase 1 is due to go live this summer with the final phase due to implement before the end of the calendar year.
- We are also in the process of implementing our new HR system – People XD – which will support the transformation of our employee processes and experiences, including providing a range of self-service options. Phase 1 is due to go live this summer with the remaining phases due to be delivered during 2023/24.

- Both new systems are modern Software as a Service cloud applications supporting our strategy to transition from legacy infrastructure and systems to modern cloud solutions by 2024. This is supporting the transformation of our customer and employee experiences, and increasing our business resilience and agility, and our technology capability.
- We have implemented our cloud Modern Data Platform which will support improved reporting and analytics, including actionable insights and predictive analytics.
- *The Time is Now* is underpinned by a commitment to transition to net zero by 2045 at the latest. Our net zero baseline study was commissioned in April 2022 with the action plan approved by Board.

## Governance

At Trust, we are governed by a dedicated voluntary Board of Management who operate in accordance with the Scottish Federation of Housing Association's Model Governing Rules. Our Board membership is drawn from a broad range of skills and experience, including a mix of professional backgrounds and customer service users which promotes equality, diversity and inclusion and further strengthens good governance. The skills mix on our Trust Board is regularly reviewed, with an annual training programme conducted alongside 'strategy days' delivered to help develop skills and expertise in areas which enables Board Members to fully execute their role.

The Board continues to work closely with the Scottish Housing Regulator to ensure we comply with all aspects of the regulatory requirements expected of us. During 2022/23 the Board undertook the annual self-assessment exercise which reviews the governance practices across Trust. This work contributed to Trust's overall Annual Assurance Statement which was submitted to the Regulator in October 2022. This statement confirmed that Trust was fully compliant with all the requirements of the Regulatory Framework.

The key responsibilities of the Trust Board are:

- The overall leadership of Trust
- Approval of Trust's business strategy, annual budget and plans to achieve Trust's objectives
- Approving the Annual Report and Financial Statements
- Establishing effective systems of good governance, implementing internal controls and the annual review of their effectiveness
- Authorising material acquisitions, disposals, investments, capital projects and other significant transactions
- Monitoring Trust's overall performance in relation to its strategies, plans, budgets and decisions
- Providing support and guidance to the Chief Executive and Executive Team and ensuring employees on the frontline are supported to deliver high quality procedures and services in keeping with Trust's objectives.

## Post Covid-19 impact and Cost of Living Crisis

Although 2022/23 saw all Covid restrictions lifted and an attempt to get all services 'back to normal' we are still working through the impact that Covid has had on our customers and employees. Throughout this last year our Care and Support Partners completed Health Checks at our staffed developments, and we held feedback sessions to better understand from employees and customers how they were coping post Covid. We have supported our colleagues and customers struggling with both physical and mental health impacts, helping customers to feel more confident in returning to our communal areas to interact more freely once again with one another and restarting activities and clubs. However, we have still experienced some Covid-19 outbreaks in a small number of developments and when these occur our employees have responded well and followed the Public Health Scotland advice and guidance.

Our care and support service continued to be impacted by the workforce shortage that has been facing the Social Care Service across the country. Our employees have been covering additional shifts and we have had an increased reliance on external agency provision for the large number of vacancies we carried throughout most of the year. However, in the recent few months we have seen a significant improvement in the filling of vacancies, which in turn has reduced our reliance on external resources.

Within this last year we have also had to respond to the Cost-of-Living Crisis that has impacted everyone. We have supported employees by creating information resources that they can access to get hints and tips, signposting to other organisations that can help, and we have provided access to schemes such as the Blue Light card that provides offers and discounts on a range of services and products from weekly shop to insurance products.

We set up a cost-of-living task force which looked at a range of measures from energy billing and efficiency, accessing grant funding and practical assistance we could deliver directly to our customers. For our customers we have provided lots of communication on hints and tips on energy saving, signposting to local foodbanks, cozy cafes schemes etc., accessed grant funding that allowed us to provide our General Needs customers in North Lanarkshire and the Isle of Arran with local supermarket vouchers. We have also secured grant funding to support our customers with fuel vouchers and fuel debt to assist in alleviating fuel poverty for our customers. We have been giving out lightbulbs and radiator covers, setting up food pantries in many of our developments, received donations from Tesco of toiletries which we were then able to distribute and set up a Hardship Fund which can be accessed via our Customer Partners for customers who would benefit from some assistance with small purchases etc. We also have our Benefits Service where we can assist customers to maximize their income and ensure they are getting all the assistance they are entitled to. A number of our Customer Experience team have undertaken training provided by Changeworks, we continue to work with Changeworks as a preferred referring partner, offering further support to our customers.

We are very proud of all our colleagues, who have worked with compassion and great effort to continue to provide an excellent service and ensure the safety and wellbeing of our customers and each other.

## Financial Performance 2022/23

Despite the extremely challenging external operating environment, Trust remain in a stable financial position. High inflation and increasing interest rates have put pressure on the level of surplus we have returned, which is lower than previous years;

however, internal mitigation was taken to ensure we returned a positive operating surplus for the financial year. We also reported continued growth in revenue, while satisfying all bank covenants throughout the financial year 2022/23.

Summarised financial performance:	2022/23 £m	2021/22 £m	Movement £m
Turnover £m	36.4	34.1	2.33
<b>Operating Surplus £m</b>	<b>2.3</b>	2.4	(0.1)
<b>Operating Surplus %</b>	<b>6.4%</b>	7.0%	-0.7%
Interest payable less receivable £m	(1.6)	(1.1)	(0.5)
Loss of sale of fixed assets £m	(0.2)	(0.2)	-
Pension (Loss)/Gain £m	(1.2)	2.4	-3.6
<b>Total Comprehensive (Loss)/Income £m</b>	<b>(0.6)</b>	3.5	-3.6
<b>Interest Cover</b>	<b>1.4</b>	2.2	-0.7
<b>Net Assets £m</b>	<b>37.1</b>	38.2	-1.1

The £1.2m pension loss in the year (21/22 £2.4m gain) reflects the non-cash accounting of defined benefit pension liabilities under FRS 102.

## Managing Risk and Internal Control

At Trust, we have a comprehensive risk management policy in place. Risks and associated mitigation actions are actively managed through the Leadership Team, Audit & Performance Committee and at Board level.

Our strategic risk register identifies the following key risks to Trust and our associated mitigation via proactive interventions;

Potential risk	Mitigation taken
<b>Financial loss as a result of changing external economic and political factors</b>	Horizon scanning of external economic conditions and events to allow robust financial modelling and early action as required, active lobbying of government and policy makers.
<b>Declining customer demand</b>	Ongoing customer research and feedback, feeding into business strategy and design of future product and service offering.
<b>Supply chain price increases in the building repairs and construction sector</b>	Increased scrutiny of property spend and forecasts, increased contract and supplier management with intervention from central procurement as required.
<b>Serious IT security breach</b>	Extensive cyber security plan including migration from on-premise to cloud based servers, mandatory cyber training and cyber penetration and vulnerability testing programme.
<b>Risks associated with de-carbonization targets.</b>	Net-zero baseline study has been completed to understand EESH2 funding requirements, commenced pilot retrofit projects and are actively seeking partnership and grant funding opportunities.

Our Audit & Performance Sub-Committee has delegated authority from Trust Board to regularly review the system of internal controls. On a quarterly basis, the Sub-Committee receives reports from our internal and external auditors, as well as the Executive Team which assess the efficiency of our internal controls and provide any relevant improvement recommendations. The Convenor of the Audit & Performance Sub-Committee reports the outcome of their meetings to the Trust Board and minutes of the meetings are provided to the governing body and published on the Trust website.

Our Trust Board also regularly reviews budgets, the 30-year rolling plan and challenges actuals against budget variances. The Board has reviewed the effectiveness of the system of internal financial controls for the year ended 31 March 2023 and is reasonably satisfied that the existing controls and the resources in place to improve these controls are sufficient to safeguard the assets and prevent material loss. If weaknesses are found in the system of internal financial controls, then appropriate action is put in place.



## Treasury Management Policy

We have in place an effective Treasury Management Policy which follows the CIPFA standard, as recommended by the Scottish Housing Regulator. This policy is actively

followed during the year and is reviewed annually as an integral part of the financial planning and budgeting process.

## Health, Safety and Wellbeing

Ensuring a high standard of health, safety and wellbeing for employees, service users and other external stakeholders remains a key priority for Trust, with outcomes delivered through an active employee Health, Safety and Wellbeing Committee including:

- Continuous review of health and safety policies, procedures, and processes.
- An ongoing program of general and fire risk assessments.
- Compliance with annual gas safety appliance inspection legislation.
- Ongoing health and safety training for employees including load management, first aid, hoists, fire safety and asbestos awareness.

- Significant work has been undertaken to undertake EICRs within our properties, to ensure that we continue to meet the ever-changing requirements of the Scottish Housing Quality Standards.

Employee wellbeing and mental health is a key priority for Trust. Trust provides a confidential external counselling service available to all employees and over 22/23 has provided virtual awareness events relevant to colleagues. We have also trained 40 employee volunteers as mental health supporters and promote this service across the organization.

## Performance During the Year

The resilience of our business is demonstrated by performance levels across the organisation generally holding up very well over the last couple of years during an extremely challenging period. We expect the year ahead to be equally as challenging.

We undertook our organisation-wide customer satisfaction survey during 2022/23 and our survey results show **81%** of customers satisfied with the overall service provided by Trust and **75%** satisfied that their rent represents good value for money.

The table below provides a summary of our satisfaction results and operational performance across 2022/23:

## Customer Satisfaction



**81%** of our customers are satisfied with **the overall service provided** by Trust.

**74%** of our customers agree **that living with Trust has improved their quality of life.**

**84%** of our customers are satisfied with the **quality of their homes.**

**86%** of our customers who had repairs or maintenance carried out in the last 12 months are **satisfied with the repairs and maintenance service.**

**75%** of customers think the rent they pay is **good value for money.**

## Operational Performance



### Complaints

We **responded in full to 99.7%** of frontline (stage 1) and **97.5%** investigative (stage 2) **complaints** during the reporting year.

We took on average **3.6 days** to resolve **frontline complaints** and **15.6 days** to resolve **investigative complaints.**

### Housing Quality & Repairs

**81.4%** of our homes achieved the **Scottish Housing Quality Standard.**

**90.8%** of our homes achieve the **Energy Efficiency Scottish Social Housing standard.**

We took on average **3.7 hours** to complete **emergency repairs** **5.6 days** to complete **non-emergency repairs.**

We completed **91.4%** of our repairs **'right first time'**.

### Lettings & Rent

**13.4%** of our lettable homes became **vacant during the year**

We took on average **70.3 days** to **re-let** our vacant homes

**3.1%** of rent due was **lost as a result of vacant homes**

Our gross **rent arrears** was **1.7%** of rent due

## External Accreditation



We have **Investors in People 'Platinum'** accreditation.

We have **Leaders in Diversity** accreditation.

## Our New Build Programme

During 2022/23 we took handover of 55 new homes across two development sites in Glasgow and North Lanarkshire:

- Working in partnership with McTaggart Construction our development at Park Place, Wishaw, which comprises **42 General Needs** flats, completed in February 2023.

Park Place provides a mix of 1, 2 & 3-bedroom new supply affordable homes in Wishaw Town Centre and successfully delivered one of the key promises we made as part of the transfer of engagements from Wishaw and District Housing Association,

- Our other completed project was the re-modelling of the vacant day care centre at Lochar Crescent in Pollok, Glasgow. Completed in March 2023 this has delivered an additional **13 Extra-Care flats** to our development, in addition to an extended Dining Room area and external improvements.

Through our existing key relationships with contractor and housebuilder partners we maintain a strong pipeline of projects that will assist with our ambitious target of delivering 300 new homes by 2027.

Our pipeline projects include developer-led opportunities across the central belt in Glasgow, North Lanarkshire, South Lanarkshire and in North Ayrshire, on the Isle of Arran. We continue to work closely with the respective Local Authority Housing Investment teams for each project to ensure strategic support in the respective Local Authority's Strategic Housing Investment Plans.

We have also had one site start during 2022/23, on our only current live development project:

- Working in partnership with CCG, we are currently developing our Langlands Road project in Glasgow, which began on-site in October 2022.

Delivering 46 new amenity homes in the heart of Govan town centre, Langlands Road contains a mix of 1 & 2 bed, high quality, energy-efficient homes, and is scheduled to complete in Spring 2024.

The project is being delivered through a combination of Affordable Housing Supply Grant funding from Glasgow City Council, and Trust's own Private Finance.



## People

At Trust, our people are our greatest asset and we aim to attract, develop, retain and support each of our employees to achieve their personal, and our organisational, goals.

Over the past year, in the aftermath of the covid pandemic and against a changing political and economic backdrop, our employees continued to deliver a high standard of service for our customers despite some of the ongoing challenges that we, like others, have faced. In particular, recruitment challenges resulted in our employees pulling together to ensure adequate levels of cover were achieved across our developments. This showed a level of team spirit and commitment which is synonymous with Trust's employees.

We have also recognized that much of the last year has been defined by the cost-of-living crisis that we are still living through. This has had a big impact on many of our employees, and Trust responded by providing support and guidance in whatever ways it could, from providing all employees a £50 supermarket voucher and Blue Light membership to access discounts, to continuing to provide our essential free counselling service.

We have also been very proud to maintain our Leaders in Diversity (LiD) status after a rigorous re-evaluation process demonstrating that we continue to hold ourselves to high standards in Equality, Diversity and Inclusion in all we do. This has been reinforced with our roll out of EDI training to all employees as well as our EDI and Health and Wellbeing Awareness month in April 2022, where we held a number of events which were open to all employees on topics including Menopause and Stress Awareness. We were also very excited to introduce our Mental Health Supporters – a group of around 30 employees trained to listen to fellow colleagues who may be struggling with their mental health. This has been exceptionally well received across Trust and our team of Supporters are very proud of the role that they continue to play in supporting mental wellbeing across the organization. These are just some of the reasons why Trust continues to uphold the requirements of a Platinum Investors in People (IIP) organization and live our values in everything that we do.

Our values describe what matters most to us and what our colleagues should expect from each other. As part of the development of the Time Is Now, we worked with colleagues across the business to re-articulate our culture and values to bring the character of Trust to life and reflect the progressive business we are today. Our values describe the principles behind our culture and collective behaviors;



### **We believe in better**

We're proud of the incremental gains achieved everyday.



### **We're here for each other**

How we regard, respect and support each other is so important to us.



### **We love to learn**

Open to new ideas, we try hard and fail fast in a culture of participation and trust.

Our People Strategy continues to deliver on a number of people-related projects, ensuing that we remain competitive, continue to be a great place to work and that we provide excellent opportunities to those who work for us. We have a significant training and development programme to support our people to learn and develop skills and expertise. This in turn enables us to provide the best possible services to our customers. Amongst the new initiatives we have launched in the past year, our new online learning system LearnPro is having the biggest impact. With the hard work and dedication of a number of teams, we have created a number of e-learning modules which cover much of the mandatory training required by employees across the organization as well as other topics. By the end of the year, almost 50% of new modules had been completed over a 5 month period with fantastic feedback across the board.

We also completed a comprehensive Employee Engagement Survey, for the first time since before the Pandemic. The results were exceptionally positive in most areas with employees telling us that they feel empowered to do their job, feel supported by their Manager and continue to be inspired by and proud of what we do at Trust. Overall, 80% of respondents said that they were happy and satisfied with their experience of working for Trust. Despite the great results, there are still areas where there is room for improvement. That is why our Employee Representatives, appointed to the newly formed Employee Forum, are tasked with the creation of an action plan for improvement, which is aligned with employee expectation. We are listening carefully to what our employees are telling us and encouraging them to be involved in helping us to improve.



Employee engagement and communication in the digital world, was and continues to be a key focus for Trust. With development employees now having access to MS Teams and office 365, our virtual “Town Hall” and “OneTrust” events, along with other opportunities for virtual collaboration are going from strength to strength and bringing our organisation together. We have also

been pleased to re-establish some of our in person events, including a productive and fun pre-Christmas event in our Edinburgh office. This has really reenergized our employees after a tough few years, and we are looking forward to re-launching in-person employee Roadshows later in 2023.

## Audit and Performance Sub-Committee

Our Audit and Performance Sub-Committee successfully held virtual meetings each quarter during 2021/22, chaired by Paul McFarlane. In exercising its Audit function, the Committee has looked at key areas of potential risk for Trust and has commissioned internal reports from Internal Audit as part of a three-year plan. The Regulator’s guidance for Housing Associations has helped in targeting the programme.

The areas audited during 2022/23 were:

- Recruitment
- Arrears Management
- Payroll
- Health & Safety
- IT Security
- Care & Support Service
- Follow-up audit of previous recommendations

The reports provided the Committee with reassurance of no serious weaknesses or issues.

During the year the committee approved re-appointment of Anderson Anderson & Brown Audit LLP (‘AAB’) as Trust’s external auditor. AAB, in reviewing the Annual Accounts for 2022/23, has given Trust an unqualified audit report.

The Committee meets once a year with both Internal and External Auditors without senior officers attending and no issues have been raised.

Additionally, the Committee monitors performance against Key Performance Indicators. These remain favourable overall and the Committee is reassured that Trust continues to maintain high standards. This has been another demanding year for all employees, and the Committee has recognised their efforts and hard work, ensuring operational performance hasn’t been impacted by the extremely challenging external operating environment.

## Changes to Board Members and Officers

**Office Bearers:** In September 2022, John Burke resigned as Chair upon stepping down as a Board Member and Dr Norval Bryson was appointed as Chair.

**Board Members:** Within the financial year of 2022/23 Wendy Wilkinson, Nicky McLaughlin and Sister Jenny Lindsay stepped down from the Board. Following the 2022 September AGM, three new Board Members were

elected and these were: Steve McGowan, Ian Mitchelmore and Mary Niven. In line with section 37.1 of our Governing Rules, Graham Curran also joined the Board as an Appointed Member, in February 2023.

**Directors:** Jennifer Wallace was appointed as Director of Customer Experience on 27 March 2023, following Gail Gourlay's retirement.

## Statement of Board of Management Responsibilities

The Co-operative and Community Benefit Societies Act 2014 and Registered Social Housing legislation requires the Board of Management 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 Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; and

- ensure a statement on Internal Financial Controls is prepared.

The Board of Management is also responsible for ensuring adequate systems of internal control are in place to;

- safeguard the assets of the Association
- take reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management 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.

## Statement on Internal Financial Control

The Board of Management acknowledge it's 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;
- the safeguarding of assets against unauthorised use or disposition.

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

- an appropriate control environment has been created by careful recruitment of suitability qualified and experienced colleagues, who take responsibility for key business functions. Ongoing training and annual appraisal procedures are followed to maintain standards of performance;
- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- forecasts and budgets are prepared which allow the management team and the Board of Management to monitor key business risks, financial objectives and the progress being made towards achieving the financial objectives set for the current financial year and for the medium term;

- monthly financial management reports are prepared, 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 Board of Management;
- the Board of Management receives reports from management and also from the external and internal auditors to provide reasonable assurance that control procedures are both in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- the Board of Management monitors the internal financial control system by considering regular reports from management, internal and external auditors and ensures that appropriate corrective action is taken to address any reported weaknesses.

The Board of Management has reviewed the effectiveness of the system of internal financial control in existence within the Association for the year ended 31 March 2023. 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.

## Going Concern

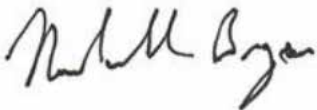
After making enquiries of the Executive Team, the Board has substantial expectation that Trust has adequate resources to continue in operational existence for the foreseeable future.

Risks have been considered, documented, mitigated and potential financial impact projections prepared from best to worst case scenario. Additional undrawn funding together with financial projections have allowed the Board to conclude that the preparation of the financial statements on a going concern basis continues to be appropriate.

## Disclosure of Information to the Auditor

Each person who is a Board Member at the date of approval of this report confirms that:

- So far as the Board Member is aware, there is no relevant audit information of which Trust's auditors is unaware; and
- Each Board Member has taken all the steps that he/she ought to have taken as a Board Member to make himself/herself aware of any relevant audit information and to establish that Trust's auditor is aware of that information.



**On behalf of the Board  
Dr Norval Bryson, Chair**

**31st July 2023**

# Independent Auditor's Report

## To the Members of Trust Housing Association Limited

### Opinion

We have audited the financial statements of Trust Housing Association Limited (the Association) for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flows and notes to the financial statements, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2023 and of its income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) regulation 2006 (as amended).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements

that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability

to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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

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

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

## Responsibilities of the Board

As explained more fully in the Board's Responsibilities Statement set out on [page 20](#), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or have 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 Auditors' 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 obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) regulation 2006 (as amended).

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the Association's key performance indicators to meet targets
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the Association needs to comply with for the purpose of trading.

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing judgements made by management in their calculation of accounting estimates for potential management bias
- Enquiries of management about litigation and claims and inspection of relevant correspondence
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations
- Analytical procedures to identify any unusual or unexpected trends or relationship;
- Reviewing minutes of meetings of those charged with governance to identify any matters indicating actual or potential fraud

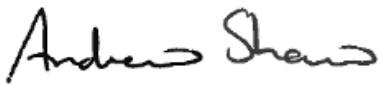
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

## Use of our report

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



**Andrew Shaw**  
For and on behalf of Anderson Anderson & Brown Audit LLP,  
Statutory Auditor

**Eligible to act as auditor in terms of section 1212 of the Companies Act 2006**  
Chartered Accountants  
81 George Street  
EDINBURGH  
EH2 3ES

**4th August 2023**



# Independent Auditor's Report to the members of Trust Housing Association Limited on Corporate Governance Matters

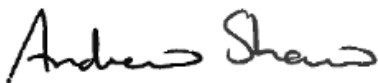
In addition to our audit of the Financial Statements, we have reviewed your statement on page 11 concerning the Association's compliance with the information required by Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

## Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council through enquiry of certain members of the Management Committee and Officers of the Association and examination of relevant documents. 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 reason given for non-compliance.

## Opinion

In our opinion the Statement on Internal Financial Control on [page 21](#) has provided the disclosures required by the relevant Regulatory Standards for systemically important RSLs within the publication "Our Regulatory Framework" and associated Regulatory Advisory 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.



**Andrew Shaw**  
For and on behalf of Anderson Anderson & Brown Audit LLP,  
Statutory Auditor

**Chartered Accountants**  
81 George Street  
EDINBURGH  
EH2 3ES

**4th August 2023**

# Statement of Comprehensive Income

## for the year ended 31 March 2023

	Notes	2023 £'000	2022 £'000
<b>Turnover</b>	3	<b>36,427</b>	34,224
Less: operating costs		<b>(34,103)</b>	(31,816)
<b>Operating surplus</b>	7	<b>2,324</b>	2,408
Loss on sale of fixed assets		<b>(195)</b>	(152)
Interest receivable and other income		<b>19</b>	-
Interest payable and other charges	8	<b>(1,630)</b>	(1,046)
<b>Surplus for the year</b>		<b>518</b>	1,210
<b>Other comprehensive income</b>			
Actuarial (Loss) /Gain on the Pension Schemes	24	<b>(1,168)</b>	2,428
<b>Total Comprehensive (Expenditure)/Income for the year</b>		<b>(650)</b>	3,638

All operations are continuing.

The only recognised gain/(loss) was the surplus for the year.  
The notes on pages 34-58 form part of these Financial Statements

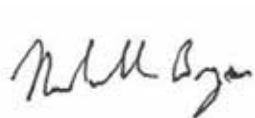


# Statement of Financial Position

## as at 31 March 2023

	Notes	2023 £'000	2022 £'000
<b>Tangible fixed assets</b>			
Housing properties	9	160,503	155,040
Other	9	3,199	3,229
<b>Total fixed assets</b>		<b>163,702</b>	<b>158,269</b>
<b>Current Assets</b>			
Trade and other receivables	10	1,522	1,811
Cash at bank and in hand	11	4,764	23,973
<b>Total Current Assets</b>		<b>6,286</b>	<b>25,784</b>
Creditors: amounts falling due within one year	12	(10,054)	(12,208)
<b>Net current (liabilities) / assets</b>		<b>(3,770)</b>	<b>13,576</b>
<b>Total assets less current liabilities</b>		<b>159,932</b>	<b>171,845</b>
Creditors: amounts falling due after more than one year	13	(121,457)	(133,349)
Provisions	23	(210)	(225)
Provision for Pension Liability	24	(1,168)	-
<b>Net assets</b>		<b>37,097</b>	<b>38,271</b>
<b>Capital and reserves</b>			
Share capital	16	-	-
Restricted reserve		107	112
Pension reserve		(1,168)	-
Revenue reserve		38,158	38,159
		<b>37,097</b>	<b>38,271</b>

The Financial Statements were approved and authorised for issue by the Board of Management and signed on its behalf on 31st July 2023



Dr Norval Bryson, Chair



Gordon Laurie, Vice Chair



Claire Mottram, Secretary

The notes on pages 34-58 form part of these Financial Statements

# Statement of Changes in Equity

as at 31 March 2023

	Share Capital £'000	Pension Reserve £'000	Restricted Reserve £'000	Revenue Reserve £'000	Total £'000
Balance at 1 April 2021	-	(3,357)	112	37,878	34,633
Surplus / (deficit) from Statement of Comprehensive Income	-	929	-	281	1,210
Surplus / (deficit) from actuarial gain / (loss) on pension scheme	-	2,428	-	-	2,428
<b>Balance at 31 March 2022</b>	-	0	112	38,159	38,271
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 1 April 2022	-	0	112	38,159	38,271
Surplus / (deficit) from Statement of Comprehensive Income	-	524	(5)	(1)	518
Surplus / (deficit) from actuarial gain / (loss) on pension scheme	-	(1,692)	-	-	(1,692)
<b>Balance at 31 March 2023</b>	-	<b>(1,168)</b>	<b>107</b>	<b>38,158</b>	<b>37,097</b>

# Statement of Cash Flows

## for the year ended 31 March 2023

	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>		
Surplus for the year	518	1,210
Depreciation of property, plant & equipment	6,459	6,340
Grants from Scottish ministers	(3,752)	(3,577)
Loss from Sale of Assets	195	152
Interest Payable	1,585	985
Interest Receivable	(19)	(0)
Decrease in trade and other receivables	630	187
Decrease in trade payables	(1,762)	(329)
Pension funding transfer	(524)	(929)
<b>Net cash inflow from operating activities</b>	<b>3,330</b>	<b>4,039</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(11,622)	(9,244)
Purchase of other Fixed Assets	(509)	(408)
Receipt of social housing grant	3,099	4,000
Interest received	19	0
<b>Net cash used in investing activities</b>	<b>(9,013)</b>	<b>(5,652)</b>
<b>Cash flows from financing activities</b>		
Interest Paid	(1,585)	(985)
Repayments of borrowings	(18,941)	(2,142)
New secured loans	7,000	25,350
<b>Net cash used in financing activities</b>	<b>(13,526)</b>	<b>22,223</b>
Net (decrease) in/increase from cash and cash equivalents	(19,209)	20,610
Cash and cash equivalents at beginning of year	23,973	3,363
<b>Cash and cash equivalents at end of year</b>	<b>4,764</b>	<b>23,973</b>

# Statement of Cash Flows

for the year ended 31 March 2023

	2023 £'000	2022 £'000
<b>Components of cash and cash equivalents</b>		
Cash	4,764	23,973
Cash Equivalents	-	-
	<b>4,764</b>	<b>23,973</b>
<b>Reconciliation of Net Debt</b>		
<b>Net Debt as at 1 April 2022</b>	<b>54,513</b>	31,738
Loans received	7,000	25,350
Loan repayments	(18,941)	(2,142)
Amortised loan fees	(89)	(433)
<b>Net Debt as at 31 March 2023</b>	<b>42,483</b>	54,513



# Notes to the Financial Statements

## for the year ended 31 March 2023

### 1. Legal status and principal activities

Trust Housing Association Limited is registered under the Cooperative and Community Benefit Society Act 2014 with the Financial Conduct Authority and is registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010. The Association's registered office and principal office is 12 New Mart Road, Edinburgh, EH14 1RL.

Trust Housing Association is a Public Benefit Entity (PBE) and its principal activity is the provision of social housing.

### 2. Accounting Policies

#### 2.1. Basis of Accounting

The financial statements of the group and association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102), the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Determination of Accounting Requirements 2019.

The financial statements are prepared in Sterling (£'000) unless otherwise stated.

The principal accounting policies that have been applied consistently to all periods presented in these financial statements are set out below.

#### 2.2. Going Concern

The Board of Management considers on an annual basis the appropriateness of preparing the Company's Financial Statements on a going concern basis. Matters which are taken into account in this process include:

- The prevailing economic climate, both internationally and locally and its impact, if any, on the Association's viability.
- The financial position of the Association and the impact, if any, of perceived weaknesses on the Association's viability.
- The short, medium and long term financial prospects resulting from the modelling exercise carried out annually in updating the Association's 30 year Business Plan including sensitivity analyses and independent verification of key underlying assumptions.

Risks have been considered, documented, mitigated and potential financial impact projections prepared from best to worst case scenarios. Undrawn funds in the revolving credit facility, together with the aforementioned financial projections, have allowed the Board to conclude that the preparation of the financial statements on a going concern basis continues to be appropriate.

### 2.3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Useful Lives of Properties

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on industry averages and review of current housing stock. Uncertainties in these estimates relate to the length of time certain components in our homes will last, with varying levels of use potentially lengthening or shortening the lives of these components.

#### Recoverability of Debtors

Management considers the reasonable likelihood of rent arrears and debtors being recoverable based on past experience. While every effort is made not to over-estimate the amounts which will be recovered by the Association in the future, the actual amounts which might be received are often out with the Association's control.

### Present Value of Pension Scheme

The present value of the SHAPS Defined Benefit Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Any changes in these assumptions, which are disclosed in note 24 will impact the carrying amount of the pension liability. GMP equalisation has also been considered within the current year valuation; however, this has not made a significant impact to the net pension deficit. The latest full actuarial valuation was dated 31 March 2021.

#### Provision for Property Remediation

Management considers there to be a probable obligation arising for property remediation and has therefore made provisions within the financial statements. The provision has been based on the number of properties affected and the organisations best estimate of the costs that will be required to for the remediation works and associated costs.

### 2.4. Turnover

Turnover comprises rental and service charge income receivable from tenants and owner occupiers, fees and revenue-based grants receivable from local authorities and the Scottish Government's Housing and Investment Division. Rental income is recognised from the point properties become available for letting, net of any voids. Revenue-based grants are receivable when the conditions for receipt of agreed grant funding have been met. Other income is recognised when the Association is entitled to the benefit.



# Notes to the Financial Statements

## for the year ended 31 March 2023

### 2.5. Housing Properties

Housing properties are held for the provision of social housing, principally being available for rent. They are stated at cost less accumulated depreciation and impairment losses. Expenditure to existing properties is capitalised when it is considered it will materially enhance the economic life of the asset, its income generating capacity or will result in a material reduction in annual operating costs. Components such as kitchens, windows, doors and bathroom replacement programme are capitalised and depreciated over their expected useful lives. Cost includes the cost of acquiring land and development costs incurred during the development.

### 2.6. Life cycle of components

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, hereby enhancing the economic benefits, are capitalised as improvements.

### 2.7. Categorisation of housing properties

In the judgement of the board of Directors 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.

### 2.8. Housing Association Grant

Housing Association Grants received from The Scottish Government are initially stated at fair value and are amortised as income over the life of the component elements of properties.

### 2.9. Sales of Housing Properties

First tranche Shared Ownership disposals are credited to turnover on completion and the costs of property sales are recognised within operating costs. Subsequent tranches are treated as non-current assets disposals with the gain or loss on disposal recognised in the Statement of Comprehensive Income

## 2.10. Depreciation

### Housing Properties

Depreciation is charged on the original cost of properties (after deducting land costs) on a straight-line basis over the expected useful life of the property.

Housing assets	Depreciation period in years
Structure	50
Kitchens	20
Central heating systems	20 to 30
Roofs	50
Windows	30
Lifts	30
Electrics	30
Doors	30
Bathrooms	30
External fabric	35
Shared Ownership	50
Stage 3 Adaptations	10

### Impairment

Annual reviews are undertaken to confirm that no financial impairment has arisen to reduce the value of any class of property to an amount less than the carrying value in the financial statements.

### Other Fixed Assets

Other Fixed Assets include office properties, office equipment, furniture and computer hardware and software. Depreciation is charged over the expected useful life of the assets.

Asset	Depreciation period in years
Office properties	50
Office equipment	5
Computer hardware & software	5
Motor vehicles	4
Development furniture & equipment	10

## 2.11. Identification of cash generating units

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

## 2.12. Costs of Shared Ownership

The Association allocates costs to shared ownership properties on a percentage split across the number of properties the Association owns where actual costs are not available.

# Notes to the Financial Statements

## for the year ended 31 March 2023

### 2.13. Contribution to Pension

The Association has the following arrangements in place:

- SHAPS DC scheme – employer contributions of 6% of salary and employee contributions of 5.5%.
- A small number of personal pensions where the contributions are of 6% of salary and employee contributions of 5.5%.
- Auto-enrolment scheme with the Peoples Pension which is an entry level scheme with 5% employee contribution and 3% employer contribution.

None of the schemes create any liability to Trust beyond the contribution payments outlined above.

The Association also has obligations with respect to the former SHAPS Defined Benefit Pension Scheme which is a multi-employer defined benefit scheme but which was closed to Trust employees in June 2013 and Wishaw employees in October 2022. Retirement benefits to employees of the Association are funded by contributions from all participating employers and employees in the Scheme.

The cost of the defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases.

For the SHAPs, the association has been able to identify its share of the scheme assets and scheme liabilities from 1 April 2018 and has applied defined benefit accounting from this date onwards.

The scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discount at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. This has been recognised within the defined benefit pension liability on the face of the statement of financial position. As at the year ended 31 March 2023, the net defined benefit pension liability was £1,168k (2022:£Nil).

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period within the income and expenditure account. Interest is calculated on the net defined benefit liability. Refer to Note 24 for more details.

For the defined contribution schemes, the income and expenditure account is charged as payments are made or accrued.

### 2.14. Interest Payable

All interest payable in the year in connection with the development, construction or acquisition of housing properties is charged to the income and expenditure account in the period in which it falls due for payment. The basis of the interest payable is by using the effective interest rate over the life of the loan.

## 2.15. Shared Ownership Properties

All properties are split between fixed and current assets in line with the expectation relating to the first tranche sale percentage. The expected first tranche proportion is classified as a current asset until the point of the first tranche sale. The current asset is then transferred to cost of sales and matched against sales proceeds within the operating surplus in the Statement of Comprehensive Income. Any operating surplus is restricted to the overall surplus which takes account of the Existing Use Value – Social Housing (EUV-SH) of the remaining fixed asset element. The remaining element of the asset is classified as a fixed asset and included in housing properties at cost less any provision for depreciation or impairment.

## 2.16. Trade and other receivables

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

## 2.17. Trade and other payables

Short-term payables are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs and are measured subsequently at amortised cost using the effective interest method.

## 2.18. Financial Instruments

The Association only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables are measured initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation of the amount that the Association would receive for the asset if it were to be sold at the date of the Statement of Financial Position.

Financial assets and liabilities are offset, and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **2.19. Provisions**

Provisions are recognised when the Association has a present obligation as a result of a past event, it is probable that the Association will need to settle the obligation and a reliable estimate of the amount can be made.

### **2.20. Operating and finance leases**

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

### **2.21 Taxation**

Trust Housing Association is a Registered Charity and is therefore exempt from Corporation Tax on its charitable activities.

### **2.22 Restricted reserves**

Restricted reserves comprise donations and bequests received at a development level, less amounts utilised. Amounts utilised are allocated to restricted reserves as incurred.

### **2.23 VAT**

The Association is registered for VAT. A large portion of its income, including rental receipts, is exempt for VAT purposes, giving rise to a partial exemption calculation. Expenditure with recoverable VAT is shown net of VAT and expenditure with irrecoverable VAT is shown inclusive of VAT.

### 3. Particulars of turnover, operating costs and operating surplus or deficit

	Turnover	Operating Costs	Operating Surplus or Deficit 2023	Operating Surplus or Deficit 2022
	£'000	£'000	£'000	£'000
Social Letting	34,257	31,736	2,521	2,386
Other activities	2,170	2,367	(197)	22
<b>Total</b>	<b>36,427</b>	<b>34,103</b>	<b>2,324</b>	<b>2,408</b>



## 4a. Income from Lettings

	General Needs £'000	Supported Housing £'000	Shared Ownership £'000	2023 Total £'000	2022 Total £'000
Rent receivable net of identifiable service charges	5,242	16,516	107	<b>21,865</b>	21,151
Service charges receivable eligible for Housing Benefit	52	860	-	<b>912</b>	826
Service charges receivable not eligible for Housing Benefit	419	8,166	-	<b>8,585</b>	7,769
<b>Gross rents receivable</b>	<b>5,713</b>	<b>25,542</b>	<b>107</b>	<b>31,362</b>	29,746
Less: Rent losses from voids	(46)	(811)	-	<b>(857)</b>	(1,103)
<b>Net rents receivable</b>	<b>5,667</b>	<b>24,731</b>	<b>107</b>	<b>30,505</b>	28,643
Grants received from Scottish Ministers	1,408	2,342	2	<b>3,752</b>	3,577
<b>Total income from social lettings activities</b>	<b>7,075</b>	<b>27,073</b>	<b>109</b>	<b>34,257</b>	32,220
<b>Expenditure on letting activities</b>					
Management	(1,833)	(12,109)	(26)	<b>(13,968)</b>	(14,015)
Service charge costs	(668)	(6,008)	0	<b>(6,676)</b>	(5,194)
Routine maintenance	(957)	(2,337)	(3)	<b>(3,297)</b>	(2,764)
Planned maintenance	(404)	(825)	(0)	<b>(1,229)</b>	(1,162)
Major repairs expenditure	(57)	(204)	0	<b>(261)</b>	(576)
Bad debts	(35)	0	0	<b>(35)</b>	(143)
Depreciation of housing properties	(1,806)	(4,109)	(4)	<b>(5,919)</b>	(5,805)
Other costs	(47)	(304)	0	<b>(351)</b>	(175)
<b>Total operating costs for social letting activities</b>	<b>(5,807)</b>	<b>(25,896)</b>	<b>(33)</b>	<b>(31,736)</b>	(29,834)
<b>Operating Surplus for Social Lettings</b>	<b>1,267</b>	<b>1,176</b>	<b>76</b>	<b>2,521</b>	2,386
Prior year operating surplus	501	1,803	82	2,386	

## 4b. Lettings and Other Related Information

Particulars of turnover, operating costs and surplus before taxation.

	Grants from Scottish Ministers	Other Revenue Grants	Supporting People Income	Other Income	Total Turnover	Other Operating Costs	Operating Surplus or Deficit	Operating Surplus or Deficit for Previous Period 2021/22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Care and repair of properties	22	-	-	-	22	-	22	27
Support Activities	-	-	1,998	-	1,998	2,313	(315)	(69)
Contracted out services undertaken for other organisations	-	-	-	47	46	-	46	43
Other Activities - Happy to Translate	-	-	-	76	76	54	23	22
Other	-	-	-	27	27	-	27	0
<b>Total from other activities</b>	<b>22</b>	<b>0</b>	<b>1,998</b>	<b>150</b>	<b>2,170</b>	<b>2,367</b>	<b>(197)</b>	<b>22</b>
Total from other activities for the previous reporting period 2021/22	27	2	1,853	122	2,004	1,982	22	

## 5. Officers' Emoluments

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>

Aggregate emoluments payable to Officers. (Excluding pension contributions and benefits in kind). Officers are defined as members of the Leadership Team	<b>1,085</b>	944
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	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>

Total emoluments (Including pension contributions and benefits in kind)	<b>1,139</b>	997
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	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>

Emoluments (excluding pension contribution) of the Chief Executive Officer amounted to:	<b>139</b>	135
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Pension Contributions of the highest paid Officer amounted to:	-	-
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<b>The number of Officers, including the highest paid Officer, who received emoluments (excluding pension contributions) in the following ranges were:</b>	<b>No. of Officers</b>	<b>No. of Officers</b>
£60,001 to £70,000	-	1
£70,001 to £80,000	<b>7</b>	4
£80,001 to £90,000	-	-
£90,001 to £100,000	-	2
£100,001 to £120,000	<b>4</b>	1
£120,001 to £140,000	<b>1</b>	1

13 Officers (2022: 13) are accruing pension benefits.  
Officers are considered to be key management personnel of the association.

## 6. Employee Information

	2023	2022
	Number of Staff	Number of Staff
The average number of full-time equivalent persons employed during the year was:		
Office staff	99	109
Development based staff	284	274
	<b>383</b>	<b>383</b>

	2023	2022
	Number of Staff	Number of Staff
The average number of staff employed during the year was:		
Office staff	111	107
Development based staff	639	614
	<b>750</b>	<b>721</b>

	2023	2022
	£'000	£'000
Staff costs (including directors emoluments):		
Wages and salaries	12,224	11,372
Social Security costs	1,011	928
Pension costs	426	348
	<b>13,661</b>	<b>12,648</b>

## 7. Operating Surplus

	2023	2022
	£'000	£'000
Operating surplus is stated after charging:		
Depreciation	6,459	6,341
Auditors' remuneration – audit services	19	23
Operating lease rentals	54	70

## 8. Interest Payable and Other Charges

	2023 £'000	2022 £'000
On loans payable wholly or partly in more than 5 years : Amounts payable to Banks and Building Societies	1,546	959
Other fees	39	26
Finance interest cost on pension (Note 24)	45	61
	<b>1,630</b>	<b>1,046</b>

## 9. Tangible Fixed Assets

	Housing Properties held for letting £'000	Shared Ownership Housing Properties £'000	Housing Properties in the course of construction £'000	2023 Total Housing Properties £'000
<b>Cost</b>				
At beginning of year	242,749	1,383	4,515	<b>248,647</b>
Additions	4,683	83	6,856	<b>11,622</b>
Disposals	(856)	(61)	-	<b>(917)</b>
Transfers	8,254	125	(8,379)	-
<b>At 31 March 2023</b>	<b>254,830</b>	<b>1,530</b>	<b>2,992</b>	<b>259,352</b>
<b>Depreciation</b>				
At beginning of year	92,639	514	454	<b>93,607</b>
Charge for year	5,893	26	-	<b>5,919</b>
Disposals	(664)	(13)	-	<b>(677)</b>
Transfers	488	(34)	(454)	-
<b>At 31 March 2023</b>	<b>98,356</b>	<b>493</b>	<b>0</b>	<b>98,849</b>
<b>Net Book Value at 31 March 2023</b>	<b>156,474</b>	<b>1,037</b>	<b>2,992</b>	<b>160,503</b>
Net Book Value at 1 April 2022	150,110	869	4,061	155,040

Total expenditure on existing properties amounted to £8,416k (2022: £11,287k). Total capitalised expenditure on existing properties in the year amounted to £4,683k (2022: £5,983k) with the balance charged to the Statement of Comprehensive Income. During the year Trust disposed of 1 Shared Ownership and purchased outright 2 of their Shared Ownership properties leaving 32 Shared Ownership properties remaining at the year end. The carrying value of land included in tangible fixed assets is £28m (2022: £22m). The percentage of housing stock, by number of properties, pledged as security for funding is 69% (2022: 69%).

Additions to housing properties held for letting in the year includes stage 3 medical adaptations of £402k.

Housing property under construction depreciation at the beginning of the year represents a previous impairment charge on a site under construction.

## 9. Tangible Fixed Assets

	Office Properties £'000	Fixtures and Fittings £'000	2023 Total £'000
<b>Cost</b>			
At beginning of year	4,413	5,872	10,285
Additions	77	432	509
Disposals	-	-	-
<b>At 31 March 2023</b>	<b>4,490</b>	<b>6,304</b>	<b>10,795</b>
<b>Depreciation</b>			
At beginning of year	2,540	4,516	7,056
Charge for year	93	447	540
Disposals	0	(1)	(1)
<b>At 31 March 2023</b>	<b>2,633</b>	<b>4,962</b>	<b>7,595</b>
<b>Net Book Value at 31 March 2023</b>	<b>1,857</b>	<b>1,342</b>	<b>3,200</b>
Net Book Value at 1 April 2022	1,873	1,356	3,229



## 10. Trade and other receivables

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Rent and Service Charge Arrears	645	763
Less : bad debt provision	(311)	(374)
	<b>334</b>	<b>389</b>
Intercompany Debtors	100	92
Other debtors	1967	61
Prepayments and accrued income	242	212
Sundry Debtors	813	1,259
Less: Bad debt provision	(164)	(202)
	<b>1,522</b>	<b>1,811</b>

## 11. Cash and Cash Equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	<b>4,764</b>	<b>23,973</b>

At the end of 2022 the organisation had £22m of funds from the drawdown of bLEND financing. These funds were held in interest bearing accounts awaiting completion of security transfers. These funds were released in April and were used to repay outstanding loans with other providers.

## 12. Creditors due within one year

	2023 £'000	2022 £'000
Rent in advance	866	600
Deferred capital grants to be released within one year (note 15)	3,707	3,675
Housing loans (note 14)	1,390	2,259
Other taxation and social security	238	227
Other creditors and accruals	3,701	3,934
Service Equalisation Account	58	1,512
Intercompany Creditors	94	-
	<b>10,054</b>	<b>12,207</b>

## 13. Creditors due after more than one year

	2023 £'000	2022 £'000
Housing loans (note 14)	41,092	52,254
Deferred capital grants (note 15)	80,365	81,096
	<b>121,457</b>	<b>133,350</b>

## 14. Housing Loans

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
Less than one year	1,390	2,259
Between one and two years	2,871	2,215
Between two and five years	3,992	5,726
In five years or more	34,751	44,746
Amortised Loan Fees	(522)	(433)
	<b>42,482</b>	<b>54,513</b>

Trust's housing loan borrowings decreased during the year from £54.5m at March 2022 to £42.5m at March 2023. As at 31 March the percentage of housing loans arranged at fixed interest rate was 63% (2022: 51%). Variable rate loans accrue interest at rates between 5.8% and 6.0% per annum. The repayment terms vary between 2 and 10 years. Fixed rate loans accrue interest at rates between 2.92% and 7.12% per annum. The repayment terms vary between 1 and 31 years.

## 15. Deferred capital grants

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
Balance at beginning of year	84,771	84,370
New grants received	3,099	3,999
Disposals	(46)	(21)
Released to income during the year	(3,752)	(3,577)
<b>Balance at end of year</b>	<b>84,072</b>	<b>84,771</b>

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
Amounts to be released within one year	3,707	3,675
Amounts to be released in more than one year	80,365	81,096
	<b>84,072</b>	<b>84,771</b>

## 16. Called Up Share Capital

	2023 £'000	2022 £'000
Shares of £1 each issued and fully paid:		
At beginning of year	343	355
Movement during year	(128)	(12)
<b>At end of year</b>	<b>215</b>	<b>343</b>

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. Units in Management

	2023 No. of Units	2022 No. of Units
Housing accommodation	1,336	1,292
Supported accommodation	2,335	2,337
Shared ownership	32	35
<b>Total number of units</b>	<b>3,703</b>	<b>3,664</b>

## 18. Accommodation Managed by Others

Name of Managing Body	2023	2022
Leonard Cheshire Foundation	16	16
Trust Enterprises Limited	56	56
<b>Total number of units</b>	<b>72</b>	<b>72</b>

In both of the above arrangements there is no cost to Trust Housing Association Limited for leasing properties to the respective lessors.

## 19. Investment in Subsidiary

Trust Housing Association Limited has a wholly-owned trading subsidiary, Trust Enterprises Limited; the subsidiary is used to separate our core charitable activities from those likely to generate commercial trading income and incur related expenditure. Any profits generated through the subsidiary will be gift-aided back to Trust Housing Association Limited. On 13 June 2008, Trust Housing Association Limited purchased 1 Ordinary Share of £1 at par. The subsidiary has not been consolidated in these results. In accordance with section 13 of the Co-Operative & Community Benefit Societies Act 2014 the consent of the regulator has been obtained on the basis that it would be of no real value to members of the society in view of the insignificant amounts involved. During the year £146k was charged by the Association to its Subsidiary by way of a management charge, £364k in rent was collected by the Association on behalf of its Subsidiary and the Subsidiary provided for a £100k distribution to the Association. Financial statements in compliance with the Companies Act 2006 will be prepared and submitted to Companies House. At the year end, an amount of £94k was due to Trust Enterprises Limited by Trust Housing Association.

## 20. Capital Commitments

	2023 £'000	2022 £'000
Capital Expenditure that has been contracted for but has not been provided for in the accounts (gross of grants receivable)	4,594	5,632

## 21. Analysis of changes in net debt

	As at 31 March 2022 £'000	Cash Flows £'000	Other Change £'000	At 31 March 2023 £'000
Cash	23,973	(19,209)	-	4,764
Bank loans due within one year	(2,259)	7,000	(6,131)	(1,390)
Bank loans due greater than one year	(52,254)	(18,941)	30,103	(41,092)
<b>Total</b>	<b>(30,540)</b>	<b>(31,149)</b>	<b>23,972</b>	<b>(37,717)</b>

## 22. Operating lease commitments

As at 31 March 2023 the association had future minimum lease payments under non-cancellable operating leases as follows:

	2023 £'000	2022 £'000
Not later than one year	8	33
Later than one year and not later than five years	-	12
	<b>8</b>	<b>45</b>

## 23. Provisions

	2023 £'000	2022 £'000
Property remediation	210	225
	<b>210</b>	<b>225</b>

## 24. Pensions

### Defined contribution pension scheme

The Association maintains a SHAPS defined contribution pension scheme and an auto-enrolment pension scheme through the Peoples Pension. The schemes provide benefits directly determined by the value of the contributions paid in respect of each member. Employer contributions to these schemes during the year under review totalled £426k (2022: £383k) and were charged to the Statement of Comprehensive Income. At the end of the year £76K was payable in respect of contributions for 2022/23.

### Defined benefit pension scheme

The Association also has obligations with respect to the former SHAPS Defined Benefit Pension Scheme which is a multi-employer defined benefit scheme but which is no longer open to applicants. 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 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 September 2022. A triennial valuation was carried out in September 2021, the result of which are due imminently.

The scheme is classified as a 'last-man standing arrangement'. Therefore, Trust 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 accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September each year. The liability figures from this valuation were rolled forward to the relevant accounting dates, allowing for the different financial assumptions required under FRS102 by a qualified independent actuary, and are used in conjunction with the Association's share of the scheme's total assets to calculate the Association's net deficit at the accounting period start and end dates. The SHAPS net deficit as at 31 March 2023 is £1,168k (2022: £Nil).



The estimate of total contributions payable by the Association in 2022/23 is £569k to the SHAPS scheme.

At the end of the year £3K was payable in respect of contributions for 2022/23.

### Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	<b>31 March 2023 £'000</b>	<b>31 March 2022 £'000</b>
Fair value of plan assets	22,265	33,268
Present value of defined benefit obligation	23,433	33,263
Surplus (deficit) in plan	(1,168)	5
Unrecognised surplus	-	5
<b>Defined benefit asset (liability) to be recognised</b>	<b>(1,168)</b>	<b>-</b>

### Reconciliation of opening and closing balances of the defined benefit obligation

	<b>Period from 31 March 2022 to 31/03/2023 £'000</b>
Defined benefit obligation at start of period	33,263
Current service cost	22
Expenses	30
Interest expense	915
Member contributions	20
Actuarial gains	(9,858)
Benefits paid and expenses	(959)
<b>Defined benefit obligation at end of period</b>	<b>23,433</b>

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

	Period from 31 March 2022 to 31/03/2023 £'000
Fair value of plan assets at start of period	33,268
Interest income	922
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(11,555)
Employer contributions	569
Member contributions	20
Benefits paid and expenses	(959)
<b>Fair value of plan assets at end of period</b>	<b>22,265</b>

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was (£10,633,000).

## Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)

	Period from 31 March 2022 to 31/03/2023 £'000
Current service cost	22
Expenses	30
Net interest expense	(7)
<b>Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)</b>	<b>45</b>

A loss of £1,692k is recognised in other comprehensive income.

## Key Assumptions

	31/03/2023	31/03/2022
	% per annum	% per annum
Discount Rate	<b>4.88%</b>	2.79%
Inflation (RPI)	<b>3.20%</b>	3.62%
Inflation (CPI)	<b>2.74%</b>	3.21%
Salary Growth	<b>3.74%</b>	3.21%
Allowance for commutation of pension for cash at retirement	<b>75% of maximum allowance</b>	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

## Key Assumptions

	Life expectancy at age 65 (Years)
Male retiring in 2022	<b>20.5</b>
Female retiring in 2022	<b>23.0</b>
Male retiring in 2042	<b>21.7</b>
Female retiring in 2042	<b>24.4</b>

## 25. Financial Instruments

	2023 £'000	2022 £'000
<b>Financial assets</b>		
Cash and Cash Equivalents	4,765	23,973
Financial assets that are debt instruments measured at amortised cost	1,530	1,811
	<b>6,295</b>	<b>25,784</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	47,330	60,559
	<b>47,330</b>	<b>60,559</b>

Financial assets measured at amortised cost comprise of trade and other debtors. Financial liabilities measured at amortised cost comprise of trade and other creditors, accruals and deferred income and housing loans.

## 26. Controlling Party

In the opinion of the Board of Management there is no individual controlling party.

## 27. Related Parties

Several members of the Board are also tenants of the Housing Association. The transactions with the Housing Association are all on standard terms, as applicable to all tenants. During the year £11,967 (2022: £15,645) of rent was receivable from these tenant members. At the year- end there was £498 (2022: £165) of rent paid in advance by one tenant member and £- (2022: £-) of rent arrears owned to Trust. There are also board members that hold a position with other councils and Housing Associations. Any transactions with these related parties are made at arm's length, on normal commercial terms and these Board members cannot use their position on the Board to the related party's advantage.



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trust

Affordable homes.  
Exceptional care.

