

Pineview Housing Association Limited
Report and Financial Statements
For the year ended 31st March 2022



Registered Housing Association No. HAC231

FCA Reference No. 2375R(S)

Scottish Charity No. SC038237

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Members of the Committee of Management, Executives and Advisers For the Year End 31 March 2022

Committee of Management

Daniel Martyn	Chairperson
David Syme	Vice-Chairperson
Victoria Phelps	
Richard Bolton	
Linda Devlin	
Myra Frater	
Josephine McGinty	
Anna Welsh	
Jamie Graham	Co-opted 29 April 2021
Rosie Stephen	Co-opted 27 May 2021
John Brechany	Co-opted 27 May 2021
Sharon Kane	Resigned 14 June 2021
Winifred McPhail	Resigned 2 September 2021
Fiona Murray	Resigned 16 September 2021
Matthew Dillon	Resigned 28 September 2021

Executive Officers

Joyce Orr	Director and Secretary
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Registered Office

5 Rozelle Avenue
Drumchapel
Glasgow
G15 7QR

External Auditors

Chiene & Tait
Chartered Accountants &
Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Internal Auditors

Wylie and Bisset LLP
168 Bath Street
Glasgow
G2 4TP

Finance Agents

FMD Financial Services Ltd
KCEDG Commercial Centre 61
Unit 29 Ladyloan Place
Glasgow
G15 8LB

Bankers

Bank of Scotland
19 Roman Road
Bearsden
Glasgow
G61 2SP

Solicitors

TC Young
7 West George Street
Glasgow
G2 1BA

Report of the Committee of Management for the Year End 31 March 2022

The Committee of Management presents its report and the Financial Statements for the year ended 31 March 2022.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.2357R(S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC038237.

Principal Activities

The objects of the Association are:

1. to provide for the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through the provision, construction, improvement and management of land and accommodation and the provision of care; and
2. any other purpose or object permitted under Section 24 of the Housing (Scotland) Act 2010 which is charitable both for the purposes of Section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and also in relation to the application of the Taxes Acts.

The permitted activities and powers of the Association will include anything which is necessary or expedient to help the Association achieve these objects.

Review of Business and Future Developments

Context

Pineview Housing Association Ltd is a community-based housing association in the Drumchapel area of Glasgow. As at 31 March 2022 the Association owns 853 properties, part owns 22 shared ownership properties and provides factoring services for a further 29 properties. At 31 March 2022, the Association has a Committee of Management made up of 11 elected members. Of the 11 members there are 3 tenants, 1 service user and 7 others with an interest in the Association.

Like all businesses the Association has been adapting our ways of working in light of the Covid19 pandemic and its impact. We have reviewed our working circumstances to ensure service delivery for customers whilst allowing flexibility for staff team members. Our arrangements are kept under review and updated as circumstances change.

Treasury Management

The Committee of Management follows a prudent approach to the financial affairs of the Association and retains close control of these. Investments are regularly reviewed to ensure that the Association achieves the best return in a climate of low interest rates, whilst spreading the risk of investments across institutions. The Committee of Management also keeps the Association's loan portfolio under review and monitors the impact of financial decisions on the loan covenant conditions that the Association is required to meet. The Association has not taken on any new debt during the year and has no plans for further borrowing at this time.

The Association, as a matter of policy, does not enter into transactions of a speculative nature. Surplus funds are managed carefully using long-established banks or building societies. The Treasury Management position of the Association is reviewed by the Committee of Management every quarter and the Treasury Management Policy is reviewed by the Committee of Management every year.

Risk Management

The Association has an active risk management process, including policy, matrix register and business continuity planning (disaster recovery). All major risks are considered in order that mitigating action can be planned. Risks are reviewed by staff on an ongoing basis and formally reviewed by the Committee of Management every quarter or sooner if required.

Risks are mitigated with robust policies, procedures, and a range of internal and external audits. The Committee of Management further ensure mitigation by reviewing external information and advice, maintaining active membership of representative and good practice bodies, and through seeking specialist external advice where it is required such as advice on IT security and data protection/freedom of information.

Financial Review

The Association needs to have reserves to ensure that the organisation can function into the future and meet its future liabilities, including the repair, maintenance, and replacement investment needs of its properties. In the year to 31 March 2022, the Association made a surplus of £1,180,769 against a budgeted position of £757,385. The majority of the additional surplus during 2021/22 was due to the impact of COVID-19 restrictions and the associated material and labour shortages preventing us from undertaking much of our planned renewal and maintenance work as well as the actuarial gain on the defined benefit pension plan. These works, and the costs for them, have been carried forward and will be undertaken during 2022/23 subject to the availability and affordability of the labour and materials to complete. Any surpluses that the Association makes are set aside within reserves for future business and works.

The Association reports an operating margin of 19% (2021: 24%). The main driver of the difference from the previous year being lower expenditure on cyclical, planned and reactive repair costs carried out to the Association's properties due to COVID-19 restrictions and higher rental income due to the increase in stock from the Transfer of Engagement on 1st February 2021.

As at 31 March 2022, the Association has cash to the value of £4,270,538 and has loan debt at a value of £2,711,955 having paid £327,253 off its loan debt during the year.

As at 31 March 2022, the Association has a net asset value position of £14,727,945 (this is the assumed net worth of the Association and is not a cash item).

Value for Money

Along with ensuring effective management of the Association's finances, the Committee of Management are committed to ensuring that value for money remains a top priority for the Association. We look to achieve this as an independent RSL and with our local partners. Where it can add value, we work with other local RSL's to procure, purchase, and provide. We work closely with the other local RSL's especially in terms of staff and committee training, welfare benefits advice services and some maintenance procurement. We also work with other Associations across Glasgow on common projects, such as the Scottish Housing Connections website consortium.

Report of the Committee of Management for the Year End 31 March 2022 (Continued)

Ensuring the collection of rental income, and supporting tenants to make rent payments, remains a priority for the Association. While working to keep rents affordable we need to ensure that we maximise our collection of rental charges due. Only by ensuring the ongoing receipt of rent payments can we ensure the future of the Association and the availability of funds to continue to provide services. This has been a challenge over recent years with the UK Government Welfare Reforms and with the more recent cost increases in energy bills and high inflationary increases in everyday living. All of this can make rent payment even more difficult for some which is why it is important that the Association continue to support customers in this priority area.

In terms of rental arrears, the transfer from Kendoon has affected our performance with Kendoon having historically high rent arrears that we have inherited as part of the transfer.

Tenant involvement is crucial to the success of the Association and we are very grateful to our active Resident and Customer Forum for all the work they do with us. Physical meetings were not possible for much of 2021 but we took meetings online and then adopted hybrid meetings where members had a choice to attend in person or online. Online meeting can be more suitable for some members and we plan to keep this facility on a permanent basis to maximise opportunities for our members to get involved.

It is core to our business that our customers are satisfied with the services we provide and the Association is committed to continually aiming to improve on these. Our three yearly tenant satisfaction survey is due to take place during 2022/23. Alongside this we purchased feedback software during 2021/22 to allow us to develop a system with more real time ongoing feedback. Both of these should help us ensure that we continue to review our service in light of our customers priorities.

Donations

During the year the Association made charitable donations of £2,200, contributed wider action funding of £3,124 and spent £8,429 on tenant participation including newsletters, competitions and pensioner vouchers.

Governance

The Committee of Management continued their annual committee member reviews to ensure that as a committee, and as individual committee members, they meet regulatory and good practice requirements. The committee remains open to new members joining and bringing fresh ideas, skills, and approaches.

The Committee of Management developed and submitted their Annual Assurance Statement (AAS) to the Scottish Housing Regulator by the due deadline. This Committee of Management submitted a positive AAS advising of their assurance of the Associations compliance with regulatory requirements.

During 2021/22 the Association also continued its annual programme of internal audit and this covered various areas of our work, including Procurement; ARC reporting to the Scottish Housing Regulator; our human resources and payroll systems; our integration of the ex Kendoon tenants and stock; our IT systems; and our corporate governance. Internal audit is a vital tool to let the Association know where it is performing well and where improvements could be made.

Report of the Committee of Management for the Year End 31 March 2022 (Continued)

Committee of Management, Executive Officers

The Association is controlled by a Committee of Management. The members of the Committee of Management and the Executive Officers are listed on Page 2.

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

The members of the Committee of Management are also Trustees of the Charity. Members of the Committee of Management are appointed by the members at the Association's Annual General Meeting or apply to fill casual vacancies in the year or take up co-optee places. The Committee of Management can be no fewer than 7 members and no more than 15, with no more than one third being co-optees.

Statement of Committee of Management's Responsibilities

The Co-operative and Community Benefit Act 2014 require the Committee 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 Committee of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business;
- prepare a statement on Internal Financial Control.

The Committee 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 SHR Determination of Accounting Requirements – Statutory Guidance Feb 2019. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

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

Disclosure of Information to the Auditor

In so far as the Committee of Management are aware, at the time this report is approved:

- There is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's auditors are unaware, and

Report of the Committee of Management for the Year End 31 March 2022 (Continued)

- The Committee of Management have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

Statement on Internal Financial Control

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

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

It is the Committee 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 misstatement or loss. Key elements of the Association's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- quarterly financial management reports are prepared promptly, providing relevant, reliable, and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- regulatory returns are prepared, authorised, and submitted promptly to the relevant regulatory bodies.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Committee of Management;
- the Committee of Management receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

Report of the Committee of Management for the Year End 31 March 2022 (Continued)

The Committee of Management has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2022. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Auditors

A resolution to re-appoint the auditors Chiene & Tait LLP will be proposed at the Annual General Meeting.

By order of the Committee of Management

Joyce Orr

Secretary

Date:

Report by the Auditors to the Members of Pineview Housing Association Limited on Corporate Governance Matters

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 7-8 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements on corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. 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 Controls on pages 7-8 has provided the disclosures required by the relevant Regulatory Standards 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.

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

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

Independent Auditor's Report to the Members of Pineview Housing Association Limited

Opinion

We have audited the financial statements of Pineview Housing Association Limited for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – 2019.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt 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 Management Committee 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 Management Committee are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of Pineview Housing Association Limited (Continued)

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 records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Management Committee

As explained more fully in the Management Committee' responsibilities statement, the Management Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intend 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent Auditor's Report to the Members of Pineview Housing Association Limited
(Continued)

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

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

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

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

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

Use of our report

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

Chiene + Tait LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

Date:

Statement of Comprehensive Income for the Year End 31 March 2022

	Notes	2022	2021
		£	£
REVENUE	2	4,644,703	3,248,828
Operating Costs	2	(3,762,020)	(2,488,546)
OPERATING SURPLUS		882,683	760,281
Coronavirus Job Retention Scheme Government Grant		1,751	15,279
Interest Receivable and Other Income		10,095	26,877
Interest Payable and Similar Charges	7	(51,760)	(85,822)
Other Finance Charges	10	(13,000)	(3,000)
		(52,914)	(46,666)
SURPLUS FOR THE YEAR	8	829,769	713,615
Other comprehensive income			
Actuarial (Losses)/gains on defined benefit Pension Plan	25	351,000	(508,000)
TOTAL COMPREHENSIVE INCOME		1,180,769	205,615

The notes on pages 17 to 33 form part of these financial statements.

Statement of Financial Position as at 31 March 2022

	Notes	2022		2021	
		£	£	£	£
NON-CURRENT ASSETS					
Housing Properties - Depreciated Cost	11 (a)		39,408,625		40,528,994
Other Non-current Assets	11 (b)		<u>51,579</u>		<u>66,516</u>
			39,460,203		40,595,510
CURRENT ASSETS					
Receivables	14	75,821		111,243	
Cash at bank and in hand		<u>4,270,538</u>		<u>3,672,011</u>	
		4,346,358		3,783,254	
CREDITORS: Amounts falling due within one year	15	<u>(889,539)</u>		<u>(843,889)</u>	
NET CURRENT ASSETS			<u>3,456,819</u>		<u>2,939,365</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			42,917,023		43,534,875
CREDITORS: Amounts falling due after more than one year	16		(2,378,894)		(2,746,069)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish Housing Association Pension Scheme	25	<u>(25,000)</u>		<u>(490,000)</u>	
			(25,000)		(490,000)
DEFERRED INCOME					
Social Housing Grants	18	<u>(25,785,183)</u>		<u>(26,751,604)</u>	
			<u>(25,785,183)</u>		<u>(26,751,604)</u>
NET ASSETS			<u>14,727,945</u>		<u>13,547,202</u>
EQUITY					
Share Capital	19		238		266
Revenue Reserves			14,752,707		14,036,936
Pension Reserves			<u>(25,000)</u>		<u>(490,000)</u>
			<u>14,727,945</u>		<u>13,547,202</u>

The Financial Statements were approved by the Committee of Management and authorised for issue and signed on its behalf on 30 June 2022.

Committee Member

Committee Member

Secretary

The notes on pages 17 to 33 form part of these Financial Statements.

Statement of Cash Flows for the Year Ended 31 March 2022

	Notes	2022	2021
		£	£
Net cash inflow from operating activities	17	1,614,287	1,304,859
Investing Activities			
Improvements to Housing Properties		(638,301)	(95,595)
Purchase of Other Fixed Assets		<u>(10,306)</u>	<u>(5,981)</u>
Net cash outflow from investing activities		(648,607)	
Financing Activities			
Coronavirus Job Retention Scheme Government Grant		1,751	15,279
Interest Received on Cash and Cash Equivalents		10,095	26,877
Interest Paid on Loans (inc. breakage costs)		(51,760)	(85,822)
Loan Principal Repayments		(327,253)	(333,525)
Share Capital Issued		13	106
Cash movements through Transfer of Engagements 1st Feb 2021		-	<u>(1,231,219)</u>
Net cash outflow from financing activities		<u>(367,154)</u>	<u>(1,608,304)</u>
(Decrease)/increase in cash		598,527	(405,021)
Opening Cash & Cash Equivalents		<u>3,672,011</u>	<u>4,077,032</u>
Closing Cash & Cash Equivalents		<u>4,270,538</u>	<u>3,672,011</u>
Cash and Cash equivalents as at 31 March			
Cash		<u>4,270,538</u>	<u>3,672,011</u>
		<u>4,270,538</u>	<u>3,672,011</u>

The notes on pages 17 to 33 form part of these Financial Statements.

Statement of Changes in Equity as at 31 March 2022

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1 April 2020	171	(45,000)	8,834,047	8,789,218
Issue of Shares	106	-	-	106
Cancellation of Shares	(11)	-	-	(11)
Other comprehensive income	-	(445,000)	(63,000)	(508,000)
Surplus for the year	-	-	713,615	713,615
Acquired through Transfer of Engagements 1st February 2021	-	-	4,552,274	4,552,274
Balance as at 31 March 2021	266	(490,000)	14,036,936	13,547,202
Balance as at 1 April 2021	266	(490,000)	14,036,936	13,547,202
Issue of Shares	13	-	-	13
Cancellation of Shares	(41)	-	-	(41)
Other comprehensive income	-	465,000	(114,000)	351,000
Surplus for the year	-	-	829,769	829,769
Balance as at 31 March 2022	238	(25,000)	14,752,945	14,727,945

The notes on pages 17 to 33 form part of these Financial Statements.

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2015.

Going Concern

The Committee of Management are continually developing and implementing mitigating actions and processes to ensure that the Association continues to function and manage future operations and those of its workforce and stakeholders. The Committee of Management is satisfied of the Association's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Revenue

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

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

Retirement Benefits

The Association participates in the Scottish Housing Associations Defined Benefit Pension Scheme where retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association also participates in the Scottish Housing Associations Defined Contribution scheme as the defined benefit scheme is closed to new members. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

Valuation Of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 11. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

Component	Useful Economic Life
Kitchens	15 Years
Bathrooms	30 Years
Boilers	15 Years
Radiators	30 Years
Windows	30 Years
External Doors	30 Years
Internal Doors	40 Years
Rewiring	40 Years
Structures	50 Years

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)**Depreciation and Impairment of Other Non-Current Assets**

Non-current Assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

Asset Category	Depreciation Rate
Office Premises	2%
Furniture, Fittings and Equipment	33%
Motor Vehicles	33%

The carrying value of non-current assets are reviewed for impairment at the end of each reporting period.

Social Housing Grant and Other Grants in Advance/Arrears

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

Social Housing Grant attributed to individual components is written off to the Statement of Comprehensive Income when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

Sales Of Housing Properties

First tranche Shared Ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the Statement of Comprehensive Income.

Leases/Leased Assets

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

Works to Existing Properties

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

PRINCIPAL ACCOUNTING POLICIES (Continued.)

Key Judgements made in the application of Accounting Policies

a) The Categorisation of Housing Properties

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

b) Pension Liability

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. This year the Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has adopted this valuation method in line with FRS102.

Financial Instruments - Basic

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

Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting judgements and accounting estimates. It also requires the Management Committee to exercise judgement in applying the Association's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below.

a) Rent Arrears - Bad Debt Provision

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

b) Life Cycle of Components

The Association estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

c) Useful life of properties, plant, and equipment

The Association assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this assessment.

d) Defined pension liability

Determining the value of the Association's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation, and the discount rate on corporate bonds.

e) Allocation of share of assets and liabilities for multi-employer schemes

Judgements in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi-employer pension schemes and estimations performed by the Pensions Trust.

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING AND OTHER ACTIVITIES

	Notes	2022			2021		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3	4,636,486	3,738,442	898,044	3,240,983	2,459,586	781,396
Other Activities	4	8,217	23,578	(15,360)	7,845	28,960	(21,115)
Total		4,644,704	3,762,020	882,684	3,248,828	2,488,546	760,281

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Sheltered Housing £	Shared Ownership £	2022 Total £	2021 Total £
Revenue from Lettings					
Rent receivable net of service charges	3,527,589	22,961	41,001	3,591,551	2,498,901
Service charges receivable	900	12,003	13,998	26,901	26,835
Gross income from rent and service charges	3,528,489	34,964	54,999	3,618,452	2,525,736
Less: Rent losses from voids	8,506	-	1,076	9,581	5,997
Net Rents Receivable	3,519,984	34,964	53,923	3,608,870	2,519,739
Grants released from deferred income	945,234	-	21,187	966,422	702,314
Other revenue grants	61,194	-	-	61,194	18,929
Total turnover from affordable letting activities	4,526,412	34,964	75,111	4,636,486	3,240,983
Expenditure on affordable letting activities					
Management and maintenance administration costs	993,367	7,256	9,565	1,010,188	855,708
Service Costs	43,425	6,429	-	49,854	53,733
Planned and cyclical maintenance, including major repairs	346,441	-	-	346,441	222,852
Reactive maintenance costs	542,407	-	-	542,407	232,107
Bad Debts - rents and service charges	30,882	-	-	30,882	24,053
Depreciation of affordable let properties	1,734,262	-	24,408	1,758,670	1,071,133
Operating costs of affordable letting activities	3,690,785	13,685	33,973	3,738,442	2,459,586
Operating surplus on affordable letting activities	853,627	21,279	41,138	898,044	781,396
2021	707,810	28,538	45,049		

4. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

	Other Income £	Total Turnover £	Operating Costs Other £	Operating Surplus / (Deficit) 2022 £	Operating Surplus / (Deficit) 2021 £
Wider role activities	-	-	9,277	(9,277)	(21,013)
Factoring	8,217	8,217	14,301	(6,084)	(102)
Total From Other Activities	8,217	8,217	23,578	(15,360)	(21,115)
2021	7,845	7,845	28,960	(21,115)	

5. OFFICERS' EMOLUMENTS

The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers, and employees of the Association.

Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)

Pension contributions made on behalf of Officers with emoluments greater than £60,000 (excluding Pension Contributions)

Emoluments payable to Director (excluding pension contributions)

Total Emoluments paid to key management personnel

The full time equivalent number of staff who received remuneration (including employer pension contributions) greater than £60,000 (including the executive team):

£60,001 to £70,000

£80,000 to £90,000

	2022	2021
	£	£
Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)	<u>74,195</u>	<u>65,745</u>
Pension contributions made on behalf of Officers with emoluments greater than £60,000 (excluding Pension Contributions)	<u>11,001</u>	<u>10,914</u>
Emoluments payable to Director (excluding pension contributions)	<u>74,195</u>	<u>65,745</u>
Total Emoluments paid to key management personnel	<u>152,292</u>	<u>76,659</u>
	Number	Number
£60,001 to £70,000	1	1
£80,000 to £90,000	1	-

6. EMPLOYEE INFORMATION

The average monthly number of full time equivalent persons employed during the year was:

The average total number of Employees employed during the year was:

Staff Costs were:

Wages and Salaries

Social Security Costs

Other Pension Costs

Temporary, Agency and Seconded Staff

	2022	2021
	No.	No.
The average monthly number of full time equivalent persons employed during the year was:	<u>19</u>	<u>12</u>
The average total number of Employees employed during the year was:	<u>20</u>	<u>13</u>
	£	£
Wages and Salaries	627,159	416,547
Social Security Costs	57,797	38,310
Other Pension Costs	73,596	45,972
Temporary, Agency and Seconded Staff	<u>69,895</u>	<u>88,349</u>
	<u>828,447</u>	<u>589,179</u>

7. INTEREST PAYABLE & SIMILAR CHARGES

	2022	2021
	£	£
On Bank Loans & Overdrafts	<u>(51,760)</u>	<u>(85,822)</u>
	<u>(51,760)</u>	<u>(85,822)</u>

8. SURPLUS FOR THE YEAR

	2022	2021
	£	£
Surplus For The Year of £829,769 is stated after charging/(crediting):		
Depreciation - Tangible Owned Fixed Assets	1,783,913	1,090,094
Auditors' Remuneration - Audit Services	8,208	7,290
Operating Lease Rentals - Other	2,967	2,743

9. TAX ON SURPLUS ON ORDINARY ACTIVITIES

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities.

10. OTHER FINANCE INCOME / CHARGES

	2022	2021
	£	£
Defined Benefit Pension (costs)/income Recognised in SOC1	<u>(13,000)</u>	<u>(3,000)</u>

11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Shared Ownership Completed £	Total £
COST			
As at 1 April 2021	66,593,880	1,295,796	67,889,676
Additions	638,301	-	638,301
Disposals	<u>(772,573)</u>	<u>-</u>	<u>(772,573)</u>
As at 31 March 2022	66,459,608	1,295,796	67,755,404
DEPRECIATION			
As at 1 April 2021	26,859,936	500,746	27,360,682
Charge for Year	1,503,703	24,408	1,528,111
Disposals	<u>(542,014)</u>	<u>-</u>	<u>(542,014)</u>
As at 31 March 2022	27,821,626	525,153	28,346,779
NET BOOK VALUE			
As at 31 March 2022	<u>38,637,982</u>	<u>770,642</u>	<u>39,408,625</u>
As at 31 March 2021	<u>39,733,944</u>	<u>795,050</u>	<u>40,528,994</u>

Additions to housing properties include capitalised major repair costs to existing properties of £638,301 (2021: £95,566).

All land and housing properties are heritable.

Total expenditure on existing properties in the year amounted to £1,408,268 (2021: £550,554). This includes the amount capitalised for component additions of £638,301 (2021: £95,595).

The Association's Lenders have standard securities over Housing Property with a carrying value of £17,647,126 (2021: £17,111,409).

11. NON CURRENT ASSETS (Continued)

(b) Other Tangible Assets	Office Premises £	Furniture & Equipment £	Motor Vehicles £	Total £
COST				
As at 1 April 2021	171,590	247,610	30,546	449,746
Additions	-	10,306	-	10,306
Disposals	-	-	-	-
As at 31 March 2022	<u>171,590</u>	<u>257,916</u>	<u>30,546</u>	<u>460,052</u>
AGGREGATE DEPRECIATION				
As at 1 April 2021	126,410	226,275	30,546	383,230
Charge for year	3,432	21,811	-	25,243
Disposals	-	-	-	-
As at 31 March 2022	<u>129,841</u>	<u>248,086</u>	<u>30,546</u>	<u>408,473</u>
NET BOOK VALUE				
As at 31 March 2022	<u>41,749</u>	<u>9,830</u>	-	<u>51,579</u>
As at 31 March 2021	<u>45,180</u>	<u>21,336</u>	-	<u>66,516</u>

12. CAPITAL COMMITMENTS

	2022 £	2021 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	<u>266,065</u>	<u>298,761</u>

The above commitments will be financed by the Association's own resources.

13. COMMITMENTS UNDER OPERATING LEASES

	2022 £	2021 £
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:		
Other		
Not later than one year	2,512	2,512
Later than one year and not later than five	455	2,274

14. RECEIVABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Arrears of Rent & Service Charges	290,193	256,944
Less: Provision for Doubtful Debts	<u>(248,318)</u>	<u>(220,456)</u>
	41,875	36,488
Other Receivables	<u>33,945</u>	<u>74,755</u>
	<u>75,821</u>	<u>111,243</u>

Pineview Housing Association Limited

15. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Housing Loans	333,061	293,139
Trade Payables	236,311	157,175
Rent Received in Advance	234,822	215,561
Other Payables	36,288	45,757
Accruals and Deferred Income	<u>49,057</u>	<u>132,257</u>
	<u>889,539</u>	<u>843,889</u>

At 31st March 2021 there were pension contributions outstanding of £21,708 (2021: £20,197).

16. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Housing Loans	2,711,955	3,039,208
Housing Loans		
Amounts due within one year	333,061	293,139
Amounts due in one year or more but less than two years	306,417	305,237
Amounts due in two years or more but less than five years	865,229	858,510
Amounts due in more than five years	<u>1,207,248</u>	<u>1,582,322</u>
	2,711,955	3,039,208
Less: Amount shown in Current Liabilities	<u>333,061</u>	<u>293,139</u>
	<u>2,378,894</u>	<u>2,746,069</u>

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

Lender	Number of Properties Secured	Effective Interest Rate	Maturity (Year)	Variable / Fixed
Clydesdale Bank	Standard security over Standard security over 29 properties	1.92%	2022	Variable
Clydesdale Bank	Standard security over Standard security over 29 properties	1.95%	2023	Variable
Clydesdale Bank	Standard security over Standard security over 29 properties	3.08%	2025	Fixed
Clydesdale Bank	Standard security over Standard security over 56 properties	1.88%	2029	Variable
Clydesdale Bank	Standard security over Standard security over 38 properties	1.88%	2031	Variable
Nationwide	Standard security over Standard security over 51 properties	1.38%	2033	Fixed
Nationwide	Standard security over Standard security over 36 properties	1.38%	2033	Fixed
Nationwide	Standard security over Standard security over 87 properties	1.31%	2031	Fixed
Scottish Government	No security held	0%	2025	Interest-free

All of the Association's bank borrowings are repayable on a monthly basis with the principal being amortised over the term of the loans, except for the Scottish Government loan where an annual repayment is made.

17. STATEMENT OF CASH FLOWS

Reconciliation of surplus for the year to net cash inflow from operating activities

	2022 £	2021 £
Operating Surplus for the year	882,683	760,281
Depreciation	1,783,913	1,090,094
Amortisation of Capital Grants	(966,422)	(702,314)
Change in debtors	35,422	(46,821)
Change in creditors	(121,269)	203,630
Share Capital Written Off	(41)	(11)
Net cash inflow from operating activities	<u>1,614,287</u>	<u>1,304,859</u>

Analysis of Changes in Net Debt

	2021 £	Cash flows £	Non-cash changes		2022 £
			Finance leases	Other changes	
Long-term borrowings	(2,746,069)	327,253	-	39,922	(2,378,894)
Short-term borrowings	(293,139)	-	-	(39,922)	(333,061)
Total liabilities	<u>(3,039,208)</u>	<u>327,253</u>	<u>-</u>	<u>-</u>	<u>(2,711,955)</u>
Cash and cash equivalents	<u>3,672,011</u>	<u>598,527</u>	<u>-</u>	<u>-</u>	<u>4,270,538</u>
Total net debt	<u>632,803</u>	<u>925,780</u>	<u>-</u>	<u>-</u>	<u>1,558,583</u>

18. DEFERRED INCOME	Housing Properties Held for Letting £	Shared Ownership Completed £	Total £
Social Housing Grants			
As at 1 April 2021	46,835,204	1,059,374	47,894,577
Eliminated on disposal of components and property	<u>(415,617)</u>	<u>-</u>	<u>(415,617)</u>
As at 31 March 2022	46,419,587	1,059,374	47,478,961
Amortisation			
As at 1 April 2021	20,703,218	439,755	21,142,973
Amortisation in year	966,383	21,187	987,571
Eliminated on disposal	<u>(436,766)</u>	<u>-</u>	<u>(436,766)</u>
As at 31 March 2022	21,232,836	460,943	21,693,778
Net book value			
As at 31 March 2022	<u>25,186,752</u>	<u>598,431</u>	<u>25,785,178</u>
As at 31 March 2021	<u>26,131,986</u>	<u>619,619</u>	<u>26,751,604</u>

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

	2022 £	2021 £
Amounts due within one year	987,571	702,314
Amounts due in one year or more	<u>24,797,607</u>	<u>26,049,290</u>
	<u>25,785,178</u>	<u>26,751,604</u>

19. SHARE CAPITAL	2022 £	2021 £
Shares of £1 each Issued and Fully Paid		
As at 1 April 2021	266	171
Issued in year	13	106
Cancelled in year	<u>(41)</u>	<u>(11)</u>
As at 31 March 2022	<u>238</u>	<u>266</u>

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.

20. HOUSING STOCK

The number of units of accommodation in management at the year-end was:	2022 No.	2021 No.
General Needs - New Build Units	721	721
General Needs - Improved Units Acquired by Association	131	131
Shared Ownership	22	22
Supported Housing	<u>1</u>	<u>1</u>
	<u>875</u>	<u>875</u>

21. RELATED PARTY TRANSACTIONS

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102.

Any transactions between the Association and any entity with which a Management Committee member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Management Committee members (and their close family) were as follows:

	2022 £	2021 £
Rent received from tenants on the Management Committee and their close family members	16,137	30,657
At the year-end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £nil (2021: £14).		
Members of the Management Committee who are tenants	3	5

22. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 5 Rozelle Avenue, Drumchapel, Glasgow.

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

23. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £nil (2021: £45) in the year by way of reimbursement of expenses. No remuneration is paid to Management Committee members in respect of their duties to the Association.

24. SHAPS PENSION PROVISION

	2022	2021
	£	£
As at 1 April 2021	(490,000)	(45,000)
Decrease/(increase) in Provision	<u>465,000</u>	<u>408,000</u>
Balance as at 31 March 2022	<u>(25,000)</u>	<u>(490,000)</u>

The pension provision is equal to the deficit in the plan, arrived at by deducting the present value of defined benefit obligation from the fair value of plan assets - as detailed at note 25.

In the year to 31st March 2022, the deficit in the plan has decreased due to the impact of actuarial gains on the defined benefit obligation and gains on the plan assets and contributions paid by the employer and members.

25. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

Pineview Housing Association Limited participates in the Scottish Housing Association Pension Scheme (the scheme). The assets of which are held in a separate trustee administered fund. The Association has employees in the defined contribution scheme and employees in the defined benefit scheme.

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal then the liability of the withdrawing employer is re-appointed amongst the remaining employers. Therefore, in certain circumstances the Association may become liable for the obligations of a third party.

The last valuation of the Scheme was performed as at 30th September 2018 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £877m. The valuation revealed a shortfall of assets compared with the value of liabilities of £121m (equivalent to a past service funding level of 89%). All Scheme members have agreed to make contributions towards the past service deficit.

The administering authority has responsibility for the management of the Fund. As most of the Fund's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the fund's assets. In order to mitigate this risk, the Fund holds a diverse investment portfolio with a range of investment managers.

25. RETIREMENT BENEFIT OBLIGATIONS

Principal Actuarial Assumptions

Assumptions as at 31 March 2022

	2022	2021
	%p.a.	%p.a.
Pensionable earnings increases	4.2%	3.9%
Inflation RPI	3.6%	3.3%
Inflation CPI	3.2%	2.9%
Discount rate	2.8%	2.2%

The defined benefit obligation is estimated to comprise of the following:

	2022	2021
	Number	Number
Employee members	4	4
Deferred pensioners	11	11
Pensioners	<u>11</u>	<u>11</u>
	<u>26</u>	<u>26</u>

Mortality Rates

Life expectancy is based on the PFA92 and PMA92 tables, with mortality improvements projected based on members' individual year of birth. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
	(Years)	(Years)
Current Pensioners	21.6	23.9
Future Pensioners	22.9	25.4

25. RETIREMENT BENEFIT OBLIGATIONS**Fair value of scheme assets by category**

	2022	2021
	£000	£000
Growth Assets	2,876	2,658
Matching Plus	724	775
Liability Driven Investment	1,138	1,100
Net Current Assets	<u>28</u>	<u>36</u>
	<u>4,766</u>	<u>4,569</u>

Net Pension Liability

	2022	2021
	£000	£000
Fair value of employer's assets	4,766	4,569
Present value of scheme liabilities	<u>(4,791)</u>	<u>(5,059)</u>
	<u>(25)</u>	<u>(490)</u>

Reconciliation of fair value of employer assets

	2022	2021
	£000	£000
Opening fair value of employer assets	4,569	2,413
Expected Return on Assets	100	57
Contributions by Members	28	25
Contributions by the Employer	167	93
Experience on plan assets	64	2,098
Estimated Benefits Paid	<u>(162)</u>	<u>(117)</u>
Closing fair value	<u>4,766</u>	<u>4,569</u>

Reconciliation of defined benefit obligations

	2022	2021
	£000	£000
Opening defined benefit obligation	5,059	2,458
Current Service Cost	44	29
Interest Expense	109	58
Contributions by members	28	25
Actuarial Losses/ (Gains)	(287)	2,606
Estimated Benefits Paid	<u>(162)</u>	<u>(117)</u>
Closing defined benefit obligation	<u>4,791</u>	<u>5,059</u>

25. RETIREMENT BENEFIT OBLIGATIONS**Analysis of amount charged to the Statement of Comprehensive Income**

	2022	2021
	£	£
Charged to operating costs:		
Service cost	<u>7,148</u>	<u>15,144</u>
Charged to Other Finance Costs / (Income)		
Expected Return on employer assets	(109,000)	(57,000)
Interest on pension scheme liabilities	100,000	58,000
Expenses	<u>4,000</u>	<u>2,000</u>
	13,000	3,000
Net Charge to the Statement of Comprehensive Income	<u>20,148</u>	<u>18,144</u>

Actuarial Gain / (Loss) recognised in the Statement of Comprehensive Income

	2022	2021
	£	£
Actuarial gain/(loss) recognised in year	351,000	(508,000)
Cumulative actuarial gains	111,000	(240,000)

Actuarial gain/(loss) is a non-cash item that occurs due to changes in actuarial assumptions used by The Pensions Trust (TPT) for the Scottish Housing Associations' Pension Scheme (SHAPS). This figure can be subject to significant change year on year.

Review of Historic Scheme Benefit Changes

In May 2021, the Scheme Trustee (TPT Retirement Solutions) notified employers of a review of historic scheme benefit changes, and this review has raised legal questions regarding whether, and when, any historic benefit changes should take effect. The outcome of this review could give rise to an increase in scheme liabilities for some employers. The Scheme Trustee has determined that it is prudent to seek clarification from the Court on this matter. This process is ongoing, and the matter is unlikely to be resolved before late 2024 at the earliest.

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