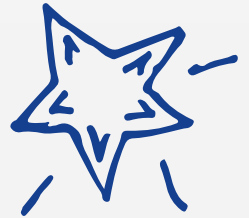
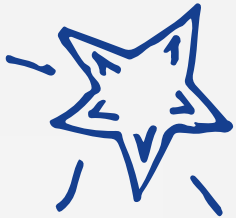




Review & Accounts

For the financial year 2021/22



Contents

| | |
|-----------------------------------|----|
| Introduction from our Chair | 3 |
| Business Information | 5 |
| Board of Management Report | 7 |
| Independent Auditor's Report | 19 |
| Statement of Comprehensive Income | 24 |
| Statement of Financial Position | 25 |
| Statement of Changes in Equity | 26 |
| Statement of Cash Flows | 27 |
| Notes to the Financial Statements | 29 |

Introduction from our Chair



It is with great pride, and some sadness, that this year I step down from my role as Chair and also from the Trust Board.

Although in many ways this past year has again been a challenging one, it has also been one of successes and forward momentum as we have continued to deliver on our bold vision for the future.

In my time as Chair I have seen Trust go from strength to strength – it seems that the pressures of working through a pandemic and an emerging cost of living crisis have made Trust stronger and more resilient. We benefit hugely from a talented and ambitious Board and Leadership Team, of which, for over nine years it has been my privilege to be a part.

For our Customers – *The Time is Now*

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.

I have been particularly proud to see the fantastic progress of the new homes we are building in Wishaw. This was one of the tenant promises we made following Wishaw & District housing joining Trust. The site at Main Street in Wishaw town centre had historically been a challenging one to develop but by the end of this calendar year there will be 42 affordable general needs homes ready to let. There has been considerable success too in building a pipeline of new build projects which will enable us to deliver our ambitious target of 300 new homes under our Time Is Now Strategy.

Coronavirus

Throughout 2021/22 Covid continued to have a major impact on our tenants and our colleagues. Keeping everyone safe and informed was a key priority and as a Board we were kept fully updated by the senior team on the impacts of a second year of pandemic restrictions and constraints. Inevitably there were also operational effects such as a higher number of empty homes, which were taking longer than usual to let, and delays to investment in our properties. However great progress was made as restrictions were increasingly lifted and the Board are very grateful to our customers for their forbearance, and to our Trust team who worked so hard and continued to provide the best possible service whilst ensuring the safety and wellbeing of all.

Introduction from our Chair

Our Digital World

The advances in technology have greatly enhanced how and where people work, and will positively impact on the choices we can offer to customers about how, where and when they can do business with us.

Recently Trust has co-designed with colleagues a 'blended working' model to support those who would have traditionally been office based to work from anywhere with the aim of being in the right place for customers, for each other, and for the business. This has involved enhancing and changing the way we use our office spaces and installing new meeting room technology.

We have also in the past year upgraded our technology across all of our frontline sites, enabling video conferencing for everyone and delivering more effective communication and collaboration.

Our People

I have always admired the strong and enduring culture at Trust, one which sees people truly care for others. Employee wellbeing and mental health has been a key priority in this past year with a real focus on awareness events such as managing stress and the menopause, and on establishing a network of 40 volunteers who have trained as mental health supporters.

The Board were delighted when in 2021 Trust achieved the prestigious Investors in People Platinum accreditation which is the highest level of achievement and only attained by the top 1% of Investors in People organisations.

Board Colleagues

My heartfelt thanks to all of my colleagues on the Trust Board for another year of hard work and dedicated and professional contributions. Sadly once again the majority of our meetings had to be conducted using digital technology rather than in person, but that did not prevent a great group of people from providing excellent leadership and support to the senior team and Trust as a whole. My particular thanks to Wendy Wilkinson and Sister Jenny Lindsay who are also stepping down from the Board this September after more than nine years of service. I know that their input and presence will be sorely missed.



Looking to the future

I am confident that I am leaving Trust in a great place – more than ready to deliver on big ambitions for the future, and also in the immediate term to do all possible to support customers and colleagues through the cost of living crisis.

In my time on the Board I have seen Trust grow in both size and confidence – offering more and better services to customers and protecting our precious culture, summed up by our values of: Here for each other, Love to learn and Believe in better. I am confident that a great future awaits.

John Burke, Chair

Business Information

The Management Board and Executive Officers

Board Members:

Chair:

John Burke FRICS

Vice-Chair:

Gordon Laurie

Board Members:

Karen Cawte

Paul McFarlane

Wendy Wilkinson BSc Math Science, MBA (Dist)

Ali Ross

Nicky McLaughlin

Sister Jenny Lindsay

Kyle Ruparelia

David Knight

Dr Norval Bryson

Ian Gunning

Audit and Performance Committee Members:

Convener:

Paul McFarlane

Vice Convener:

Ali Ross

Committee Members:

Nicky McLaughlin

Gordon Laurie

Sister Jenny Lindsay

Directors and Company Secretary:

Chief Executive

Rhona McLeod MA

Director of Customer Experience

Gail Gourlay BA MCIH

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 MA (Hons) MSc
(resigned 6th January 22)

Company Secretary

Mary Strathearn (appointed 7th January 22)

Business Information

Advisors

Auditors:

Anderson Anderson & Brown Audit LLP,
1 Lochrin Square, 92 Fountainbridge,
Edinburgh, EH3 9QA (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:

T C Young, 7 West George Street, Glasgow G2 1BA

Registered under the Co-operative
& Community Benefit Societies Act 2014

Registered by the Scottish Housing Regulator
HEP 143

Trust Housing Association Limited is
a Registered Scottish Charity No. SC009086

Registered Office: 12 New Mart Road,
Edinburgh EH14 1RL

Board of Management Report

Overview of Business and Activities

Trust Housing Association Limited (“Trust”) is a charitable Registered Social Landlord formed in 1973 to provide ‘quality homes and services that promote independent living’. Trust is a registered society with the Financial Conduct Authority in accordance with the Co-operative and Community Benefit Societies Act 2014. Trust is also a charity under the Charity and Trustee Investment (Scotland) Act 2005 and is registered under Section 3 of the Housing Associations Act 1985 by The Scottish Housing Regulator.

Trust’s main housing services are:

- General Needs Housing
- Amenity Housing
- Retirement Housing
- Sheltered Housing
- Supported Housing
- Housing with Care



Our new strategy – *The Time is Now*

The Board approved our three-year business strategy (2021-24) – *The Time is Now* – in February 2021. The strategy sets out a bold vision for Trust and our priorities up to 2024 and beyond.

The Time is Now is an investment in a sustainable future and, at its heart, lies the demands of the people and the society we serve. 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 also starts us on our journey to net zero and a sustainable future as we play our part in addressing the climate emergency.

The strategy has been shaped, and continues to evolve, by listening to our customers, employees and partners and looks to deliver against national and UK-wide priorities including the Scottish Government’s ‘Housing to 2040’ strategy and the Climate Change Act 2019 and Plan (2018-32).

Our number one priority will always be the safety and well-being of our customers and employees. The last couple of years have been challenging as we have all lived through the pandemic but together, we have demonstrated a resilience and adaptability that has ensured we have kept customers as safe as possible whilst also continuing to deliver excellent services. We expect the upcoming year to be at least as challenging as we look to support our customers and employees through the cost of living crisis.

Board of Management Report

Despite these challenges we are making significant progress implementing our strategy including:

- We are continuing to implement our new operating model, empowering our Customer Experience Partners and other frontline teams to deliver exceptional services to our customers. We have also enhanced the capability of our support teams.
- We have progressed our new build site at Park Place, Wishaw – one of the key tenant promises as part of the transfer of engagements in 2019 – with 42 affordable general needs homes expected to be completed in November 2022. In addition, we have been actively developing our new build capability, relationships and pipeline to support our ambitious new build delivery targets.
- Co-designed with employees, we have completed the design of our Blended Working Model which will support office employees to work from anywhere and be in the right place for customers, each other and the business. This work has included the refurbishment and re-purposing of our office space and the installation of new meeting room technology. This new way of working will formally launch during summer 2022.
- We have upgraded the desktop technology across all our frontline sites, with all sites now video capable and 100% of our employee tech is mobile and not fixed to a desk, supporting an agile workforce and business resilience.

- We have completed the procurement of two core IT systems – housing management and HR systems – that are critical to delivering our new operating model and expect to implement both over the next 12 months or so.
- In line with our cloud-first digital strategy, we have transitioned about 90% of our IT infrastructure from legacy on-premise to a modern cloud environment, increasing our business resilience and agility, and our technology capability.
- We are in the process of concluding our Net Zero Baseline study which will help us understand what action we need to take, the investment required, and the timeline to meet Net Zero.

We are a values-driven organisation and our culture is very important to us. Our values are unchanged but we took the opportunity in 2020, with employees across the business, to re-express them in a way that brings the character and personality of Trust to life and better reflects the business we are today.

Our three core values are:

- Believe in better
- Here for each other
- Love to learn



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 tenant 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 2021/22 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 2021. 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



Board of Management Report

Impact of Covid-19

Throughout 2021/22, the Board was kept fully updated on the impact of coronavirus on our tenants, customers, and colleagues. We followed all guidance provided by the Scottish Government, Health Protection Scotland, and the Scottish Federation of Housing Associations. It has been estimated that over 2,500 pieces of guidance and advice have been produced since the beginning of the pandemic – therefore colleagues and customers alike have been both diligent and patient in adhering to the rapidly changing circumstances we have been navigating.

Communication has been key, and our 'Business Continuity' and 'Covid-19 Response' Teams provided simple and accurate updates to our customers via letters, leaflets, posters, and website articles. We produced 'Frequently Asked Questions' guides to ensure that our colleagues on the frontline had access to the latest guidance and were able to share this information more widely with tenants.

Although some routine service delivery was impacted, we were still able to maintain all essential services to our customers. We have been encouraging customers to reconnect within the lounges and dining areas as they were reopened in line with the guidance; our development colleagues worked very hard to fairly manage and support access to these areas. All emergency repairs and essential maintenance continued, and we are now working to catch up on the non-essential works that have been delayed over the last year.

With the introduction of the risk-based framework, Covid levels were guided by the Covid infection rate. As these differed between geographical areas, it provided a constant challenge to ensure colleagues, customers and contractors were aware of the rules and guidance in place for each area according to the level it was in at any given time. The roll-out of the vaccination programme prioritized our colleagues in developments and there was 89% uptake across our teams, with the remainder unable to get the vaccine for medical reasons or choice not to be vaccinated.

The impact of self-isolation guidance and contact tracing on staffing levels meant, for short periods of time, service delivery was focused on essential tasks. Many colleagues helped in different locations and some of our office colleagues assisted in developments with deliveries of meals, touch point cleaning and a few, who were able, delivered personal care directly to our customers.

Our office-based colleagues have continued to mainly work from home with restricted access to the offices being made possible as the guidance allowed. We have continued to let homes as per guidance at any given time, and although the number of voids and average time to let has increased, we are now seeing a reduced number of empty homes as most restrictions are lifted. Our Benefit Advice Partners have provided invaluable help to tenants in supporting them with financial matters and assisting those at risk of financial hardship. Through the team's efforts in the last twelve months, tenants have received a financial gain of over £2 million.

We are very proud of our colleagues, who have worked tirelessly throughout this challenging year to continue to provide an excellent service and ensure the safety and wellbeing of our customers.

Financial Performance 2021/22

We are pleased to report a stable financial performance in 2021/22. Despite the coronavirus pandemic, Trust continued to deliver positive results with a growth in revenue and net assets. Surplus was however adversely impacted by a catch-up in property expenses following access restrictions in 20/21 and additional agency staff costs to cover Covid-related absence.

| Summarised financial performance: | 2021/22 £m | 2020/21 £m | Movement £m |
|---|-------------|--------------|---------------|
| Turnover £m | 34.1 | 32.7 | 1.4 |
| Operating Surplus £m | 2.4 | 4.3 | (1.9) |
| Operating Surplus % | 7.0% | 13.1% | (6.1%) |
| Interest payable less receivable £m | (1.1) | (1.2) | 0.1 |
| Loss of sale of fixed assets £m | (0.2) | - | (0.2) |
| Pension (Loss)/Gain £m | 2.4 | (3.7) | 6.1 |
| Total Comprehensive (Loss)/Income £m | 3.5 | (0.6) | 4.1 |
| Interest Cover | 2.1 | 3.6 | (1.5) |
| Net Assets £m | 38.2 | 34.6 | 3.6 |

The £2.4m pension gain in the year (2021 £3.7m loss) reflects non-cash accounting under FRS 102.

All banking covenants set by lenders have been met for the year.



Board of Management Report

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 shows key themes for risk management. These include the following potential risks: economic and political uncertainty in the wake of events such as global war, global pandemic, Brexit and government/Bank of England policy; supply chain price increases in the building repairs and construction sector; declining customer demand and failure to recruit and retain employees.

These risks are mitigated by proactive interventions, including: 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; increased scrutiny of property spend and forecasts, increased contract and supplier management with intervention from central procurement as required; ongoing customer research and feedback; forward thinking recruitment and retention strategies to position ourselves as an employer of choice in a difficult market.

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 2022 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 business and financial planning process.

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 normally undertake our organisational-wide customer satisfaction survey annually but have not completed one since 2019/20 due to Covid-19. However, we did undertake a survey of our Wishaw & District Housing (WDH) tenants in 2020/21, post transfer of engagements. The results of the two surveys combined shows 91% of customers satisfied with the overall service provided by Trust and 80% satisfied that their rent represents good value for money. Our next organisational-wide customer survey is scheduled for summer 2022.

The table below provides a summary of our satisfaction results and operational performance across 2021/22:

| | |
|--------------------------------|--|
| Customer Satisfaction | <ul style="list-style-type: none"> • 91% of our customers are satisfied with the overall service provided by Trust. • 90% of our customers agree that living with Trust has improved their quality of life. • 92% of our customers are satisfied with the quality of their homes. • 91% of our customers who had repairs or maintenance carried out in the last 12 months are satisfied with the repairs and maintenance service. • 80% of tenants think the rent they pay is good value for money. |
| Operational Performance | <p>Complaints</p> <ul style="list-style-type: none"> • We responded in full to 99.6% of frontline (stage 1) and 94.6% investigative (stage 2) complaints during the reporting year. • We took on average 3.3 days to resolve frontline complaints and 15.4 days to resolve investigative complaints. <p>Housing Quality & Repairs</p> <ul style="list-style-type: none"> • *45.4% 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 3.4 hours to complete emergency repairs 4.3 days to complete non-emergency repairs. • We completed 88.1% of our repairs ‘right first time’. <p>Lettings & Rent</p> <ul style="list-style-type: none"> • 14.9% of our lettable homes became vacant during the year • We took on average 80.7 days to re-let our vacant homes • 4.6% of rent due was lost as a result of vacant homes • Our gross rent arrears was 2.5% of rent due |
| External Accreditation | <ul style="list-style-type: none"> • We have Investors in People ‘Platinum’ accreditation. • We have Leaders in Diversity accreditation. |

* There is notable difference from last year’s reporting figure for stock meeting SHQS to the one being reported for 2021/22 - this difference is in relation to Element 45, in particular, failure to carry out Electrical Installation Condition Reports. These are not considered fails by the SHR but in abeyance. We anticipate all affected properties to have had their first visit and tested by September 2022, following this return visits will be carried out to properties which were no access.

Board of Management Report

Health, Safety and Wellbeing

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

- Ongoing review of our health and safety processes
- An ongoing program of general and fire risk assessments
- Compliance with annual gas safety appliance inspection legislation
- Ongoing health and safety training for staff including load management, first aid, hoists and fire safety, asbestos awareness
- Completion of our smoke and heat detector upgrade program in-line with changes in Scottish Legislation and working towards having updated EICRs in place for all stock within the first half of this financial year

Employee wellbeing and mental health is a key priority for Trust. Trust provides a confidential external counselling service available to all employees and over 21/22 has provided virtual awareness events, open to all to attend, focused on identifying and managing stress and the menopause. We are currently training 40 employee volunteers as mental supporters and we will shortly be promoting this service across the organisation.

Our New Build Programmes

We have been actively developing key relationships with contractor and housebuilder partners during 2021/22 in order to secure a pipeline of projects that will assist with our ambitious target of delivering 300 new homes by 2024.

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

As well as developing our future pipeline, 2021/22 has seen site starts on our two current, live development projects:

- Working in partnership with McTaggart Construction our development at Park Place, Wishaw, which comprises 42 General Needs flats, started on-site in May 2021 and is scheduled to complete in November 2022. This is a strategically important site for us, one of the promises we made as part of the transfer of engagements from Wishaw and District Housing Association, and for Wishaw town centre, and we are delighted to be contributing to the further supply of quality affordable housing in North Lanarkshire.
- Our other live project involves the re-modelling of the vacant day care centre at Lochar Crescent in Pollok, Glasgow. This project started on site in November 2021 and when complete will deliver an additional 13 extra-care flats to our development. This project is programmed to complete in September 2022.

People

At Trust, we firmly believe that 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. We continued to recognise the immense efforts and commitment shown by all our employees throughout the second year of the Covid pandemic.

We were delighted to achieve the prestigious IIP Platinum accreditation in 2021, this is the highest level of accreditation, awarded to the top 1% of IIP organisations. A terrific achievement, particularly during a global pandemic and a time of change for the organisation. Trust has held the esteemed Investors in People (IIP) accreditation since 1998, progressing through the levels to Gold recognition in 2015 and now Platinum, the Platinum recognition recognizes our fantastic group of colleagues across Scotland, our culture and our commitment to people. Our culture and values are a vital part of Trust's DNA and are what makes us the organisation we are today. Trust is also accredited with Leaders in Diversity. Living up to the title, the National Centre for Diversity ranked Trust in the top 100 inclusive workplaces in the UK.

We re-articulated our values in 2021. Although we have a new strategy for Trust under *The Time Is Now*, our culture and values haven't changed. 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 behaviours;

Believe 
in better

Here for 
each other

Love 
to learn

Our People Strategy aims to deliver on a number of people related projects, ensuring 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.

Our colleagues are continually encouraged during team meetings, one-to-one meetings and appraisals, which have continued digitally during the pandemic, to take the lead on contributing their ideas and feedback. The results from our Employee Surveys continue to be very positive and reflect the culture throughout Trust.

Employee engagement and communication in the digital world, was and continues to be a key focus for Trust. Over the course of the year all development based employees were provided access to MS Teams and office 365, which enabled virtual 'Town Hall' and 'One Trust' events, which were open to all to attend.

As part of *The Time Is Now*, empowerment is a key strategic theme, it's widely recognised that employee empowerment provides higher job satisfaction, boosts self-confidence and morale and promotes innovation.

Board of Management Report

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 had a number of 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 2021/22 were:

- Risk Management
- Business Change
- Benefits Service
- Catering Service
- Follow-up audit of previous recommendations

All areas resulted in Substantial or Moderate ratings of the design and operational effectiveness of the internal control environment with no high priority recommendations. This provides the Committee and Board reassurance of no serious weaknesses or issues.

During the year the committee oversaw the external audit tender as part of good governance. Anderson Anderson & Brown Audit LLP ('AAB') was selected as the new external auditor.

AAB in reviewing the Annual Accounts for 2021/22 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, even throughout another difficult year of the Covid-19 pandemic. This has been a very busy and demanding year for all staff, and the Committee have been impressed by their efforts and hard work, particularly in relation to the Audit and Performance role.

Changes to Board Members and Officers

Board Members: Within the financial year of 2021/22 Ian Crawford, Doreen Inskip and Desiree MacLennan stepped down from the Board. Following the 2021 September AGM, four new Board Members were appointed and these were: Dr Norval Bryson, Ian Gunning, David Knight and Kyle Ruparelia.

Audit & Performance Committee: In April 2021, Ian Crawford resigned as Convener upon stepping down as a Board Member, Paul McFarlane (previously Vice-Convener) was appointed as Convener and Ali Ross was appointed as Vice-Convener.

Directors: Jackie McIntosh was appointed as Director of Assets and Sustainability on a permanent basis on 1 July 2021.

Company Secretary: Claire Mottram stood down from the role of Company Secretary which she was covering on a temporary basis following the return of Mary Strathearn from maternity leave on 7 January 2022.

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

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

It is the 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 staff, 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;

Board of Management Report

- 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, and
- 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 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.

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

John Burke, Chair

9th September 2022

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 2022 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 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 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.

Independent Auditor's Report

To the Members of Trust Housing Association Limited

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 16-17, 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 Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We 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.

Independent Auditor's Report

To the Members of Trust Housing Association Limited

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

1 Lochrin Square

92 Fountainbridge

EDINBURGH

EH3 9QA

Date: 13th September 2022

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 17 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 pages 17-18 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

1 Lochrin Square

92 Fountainbridge

EDINBURGH

EH3 9QA

Date: 13th September 2022

Statement of Comprehensive Income

for the year ended 31 March 2022

| | | 2022 | 2021 |
|--|-------|---------------|--------------|
| | Notes | £'000 | £'000 |
| Turnover | 3 | 34,224 | 32,737 |
| Less: operating costs | | (31,816) | (28,455) |
| Operating surplus | 7 | 2,408 | 4,282 |
| Loss on sale of fixed assets | | (152) | (16) |
| Interest receivable and other income | | - | 1 |
| Interest payable and other charges | 8 | (1,046) | (1,191) |
| Surplus for the year | | 1,210 | 3,076 |
| Other comprehensive income | | | |
| Actuarial Gain/(Loss) on the Pension Schemes | 24 | 2,428 | (3,660) |
| Total Comprehensive income for the year | | 3,638 | (584) |

All operations are continuing

The only recognised gain/(loss) was the surplus for the year.

The notes on pages 29-51 form part of these Financial Statements

Statement of Financial Position

as at 31 March 2022

| | | 2022 | 2021 |
|---|-------|----------------|----------------|
| | Notes | £'000 | £'000 |
| Tangible fixed assets | | | |
| Housing properties | 9 | 155,040 | 151,793 |
| Other | 9 | 3,229 | 3,357 |
| Total fixed assets | | 158,269 | 155,150 |
| Current Assets | | | |
| Trade and other receivables | 10 | 1,811 | 2,417 |
| Cash at bank and in hand | 11 | 23,973 | 3,363 |
| Total Current Assets | | 25,784 | 5,780 |
| Creditors: amounts falling due within one year | 12 | (12,208) | (12,913) |
| Net current assets/(liabilities) | | 13,576 | (7,133) |
| Total assets less current liabilities | | 171,845 | 148,017 |
| Creditors: amounts falling due after more than one year | 13 | (133,349) | (110,027) |
| Provisions | 23 | (225) | - |
| Provision for Pension Liability | 24 | - | (3,357) |
| Net assets | | 38,271 | 34,633 |
| Capital and reserves | | | |
| Share capital | 16 | - | - |
| Restricted reserve | | 112 | 112 |
| Pension reserve | | - | (3,357) |
| Revenue reserve | | 38,159 | 37,878 |
| | | 38,271 | 34,633 |

The Financial Statements were approved and authorised for issue by the Board of Management and signed on its behalf on Dated for 9th September 2022



John Burke, Chair



Gordon Laurie, Vice Chair



Mary Strathearn, Secretary

The notes on pages 29-51 form part of these Financial Statements

Statement of Changes in Equity

as at 31 March 2022

| | Share Capital | Pension Reserve | Restricted Reserve | Revenue Reserve | Total |
|--|------------------|--------------------|-----------------------|--------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Balance at 1 April 2020 | - | (758) | 101 | 35,874 | 35,217 |
| Surplus / (deficit) from Statement of Comprehensive Income | - | 1,061 | 11 | 2,004 | 3,076 |
| Surplus / (deficit) from actuarial gain / (loss) on pension scheme | - | (3,660) | - | - | (3,660) |
| Balance at 31 March 2021 | - | (3,357) | 112 | 37,878 | 34,633 |
| | £'000 | £'000 | £'000 | £'000 | £'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 |
| Balance at 31 March 2022 | - | - | 112 | 38,159 | 38,271 |

Statement of Cash Flows

for the year ended 31 March 2022

| | 2022 | 2021 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Cash flows from operating activities | | |
| Surplus for the year | 1,210 | 3,076 |
| Depreciation of property, plant & equipment | 6,340 | 5,761 |
| Grants from Scottish ministers | (3,577) | (3,643) |
| Proceeds from Sale of Assets | 152 | - |
| Interest Paid | 1,046 | 1,191 |
| Interest Received | (0) | (1) |
| Decrease/(Increase) in trade and other receivables | 187 | (712) |
| Increase/(decrease) in trade payables | (329) | (69) |
| Pension funding transfer | (929) | (1,061) |
| Net cash inflow from operating activities | 4,100 | 4,542 |
| Cash flows from investing activities | | |
| Purchase of property, plant & equipment | (9,244) | (6,449) |
| Purchase of other Fixed Assets | (408) | (192) |
| Receipt of social housing grant | 4,000 | 849 |
| Interest received | 0 | 1 |
| Net cash used in investing activities | (5,652) | (5,791) |
| Cash flows from financing activities | | |
| Interest Paid | (1,046) | (1,191) |
| Repayments of borrowings | (2,142) | (4,597) |
| Borrowings acquired | 25,350 | 5,750 |
| Net cash used in financing activities | 22,162 | (38) |
| Net increase from/(decrease) in cash and cash equivalents | 20,610 | (1,287) |
| Cash and cash equivalents at beginning of year | 3,363 | 4,650 |
| Cash and cash equivalents at end of year | 23,973 | 3,363 |
| Components of cash and cash equivalents | | |
| Cash | 23,973 | 3,363 |
| Cash Equivalents | - | - |
| | 23,973 | 3,363 |

Statement of Cash Flows

for the year ended 31 March 2022 cont...

| | 2022 | 2021 |
|-------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Reconciliation of Net Debt | | |
| Net Debt as at 1 April 2021 | 31,738 | 30,585 |
| Loans received | 25,350 | 5,750 |
| Loan repayments | (2,142) | (4,597) |
| Amortised loan fees | (433) | (4,597) |
| Net Debt as at 31 March 2022 | 54,513 | 31,738 |

Notes to the Financial Statements

for the year ended 31 March 2022

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 funding secured in March 2022, 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.

Notes to the Financial Statements

for the year ended 31 March 2022

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 23 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 2020.

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.

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.

Notes to the Financial Statements

for the year ended 31 March 2022

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.

2.13 Contribution to Pension

The Association has the following arrangements in place:

- SHAPS DC scheme – comprised mainly of former SHAPS DB scheme members with employer contributions of 6% of salary plus employee contributions.
- A small number of personal pensions where the contributions are as in point 1 above.
- 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 is no longer open to applicants. 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 2022, the net defined benefit pension liability was £Nil (2021:£3,357k).

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 Redundancy and termination benefits

Redundancy and termination costs are recognised as an expense in the Statement of Comprehensive Income and a liability on the Statement of Financial Position immediately at the point the Association is demonstrably committed to either: terminate the employment of an employee or group of employees before normal retirement date; or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The Association is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

2.15 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.

2.16 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.

2.17 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.

2.18 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.

2.19 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

Notes to the Financial Statements

for the year ended 31 March 2022

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.

2.20 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.

2.21 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.

2.22 Taxation

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

2.23 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.

2.24 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 2022 | Operating Surplus or Deficit 2021 |
|------------------|-----------------|------------------------|--|--|
| | £'000 | £'000 | £'000 | £'000 |
| Social Letting | 32,220 | 29,834 | 2,386 | 4,238 |
| Other activities | 2,004 | 1,982 | 22 | 44 |
| Total | 34,224 | 31,816 | 2,408 | 4,282 |

Notes to the Financial Statements

for the year ended 31 March 2022

4a. 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 2020/21 |
|--|---|----------------------------|--------------------------------|-----------------|-------------------|-----------------------------|------------------------------------|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Care and repair of properties | 27 | - | - | - | 27 | - | 27 | (26) |
| Support Activities | | | 1,853 | | 1,853 | 1,923 | (69) | 4 |
| Contracted out services undertaken for other organisations | - | - | - | 42 | 42 | - | 42 | 53 |
| Other Activities - Happy to Translate | - | 2 | - | 80 | 82 | 59 | 22 | 25 |
| Other Activities - Job Retention | - | - | - | - | 0 | - | 0 | 44 |
| Other | - | - | - | - | 0 | - | 0 | (56) |
| Total from other activities | 27 | 2 | 1,853 | 122 | 2,004 | 1,982 | 22 | 44 |
| Total from other activities for the previous reporting period 2020/21 | 27 | 54 | 1,895 | 140 | 2,116 | 2,072 | 44 | - |

4b. Income from Lettings

| | General Needs | Supported Housing | Shared Ownership | 2022 Total | 2021 Total |
|---|----------------|-------------------|------------------|-----------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Rent receivable net of identifiable service charges | 5,352 | 15,674 | 125 | 21,151 | 20,581 |
| Service charges receivable eligible for Housing Benefit | 60 | 766 | - | 826 | 884 |
| Service charges receivable not eligible for Housing Benefit | 316 | 7,453 | - | 7,769 | 6,787 |
| Gross rents receivable | 5,728 | 23,893 | 125 | 29,746 | 28,252 |
| Less: Rent losses from voids | (12) | (1,091) | - | (1,103) | (771) |
| Net rents receivable | 5,716 | 22,802 | 125 | 28,643 | 27,481 |
| Grants received from Scottish ministers | 1,075 | 2,482 | 20 | 3,577 | 3,140 |
| Total income from social lettings activities | 6,791 | 25,284 | 145 | 32,220 | 30,621 |
| Expenditure on letting activities | | | | | |
| Management | (2,006) | (11,970) | (39) | (14,015) | (12,409) |
| Service charge costs | (461) | (4,733) | (0) | (5,194) | (5,466) |
| Routine maintenance | (896) | (1,867) | (1) | (2,764) | (1,933) |
| Planned maintenance | (330) | (832) | 0 | (1,162) | (766) |
| Major repairs expenditure | (268) | (308) | 0 | (576) | (280) |
| Bad debts | (44) | (99) | 0 | (143) | (29) |
| Depreciation of housing properties | (2,262) | (3,520) | (23) | (5,805) | (5,334) |
| Other costs | (23) | (152) | 0 | (175) | (167) |
| Total operating costs for social letting activities | (6,290) | (23,481) | (63) | (29,834) | (26,384) |
| Operating Surplus for Social Lettings | 501 | 1,803 | 82 | 2,386 | 4,238 |
| Prior year operating surplus | 1,755 | 2,394 | 88 | 4,238 | |

Notes to the Financial Statements

for the year ended 31 March 2022

5. Officers' Emoluments

| | 2022 £'000 | 2021 £'000 |
|--|------------------------|------------------------|
| Aggregate emoluments payable to Officers. (Excluding pension contributions and benefits in kind). Officers are defined as members of the Leadership Team | 944 | 716 |
| Total emoluments (Including pension contributions and benefits in kind) | 997 | 753 |
| Emoluments (excluding pension contribution) of the Chief Executive Officer amounted to: | 135 | 129 |
| Pension Contributions of the highest paid Officer amounted to: | - | - |
| The number of Officers, including the highest paid Officer, who received emoluments (excluding pension contributions) in the following ranges were: | No. of Officers | No. of Officers |
| £60,001 to £70,000 | 1 | 3 |
| £70,001 to £80,000 | 4 | 1 |
| £80,001 to £90,000 | - | 1 |
| £90,001 to £100,000 | 2 | - |
| £100,001 to £120,000 | 1 | 1 |
| £120,001 to £140,000 | 1 | 1 |
| Number of Officers to whom pension benefits are accruing: | 13 | 12 |

Officers are considered to be key management personnel of the association.

6. Employee Information

| The average number of full-time equivalent persons employed during the year was: | 2022 | 2021 |
|--|-----------------|-----------------|
| | Number of staff | Number of staff |
| Office staff | 109 | 101 |
| Development based staff | 274 | 254 |
| | 383 | 355 |
| The average number of staff employed during the year was: | | |
| Office staff | 107 | 109 |
| Development based staff | 614 | 624 |
| | 721 | 733 |
| | £'000 | £'000 |
| Staff costs (including directors emoluments): | | |
| Wages and salaries | 11,372 | 10,440 |
| Social security costs | 928 | 774 |
| Pension costs | 348 | 354 |
| | 12,648 | 11,568 |

7. Operating Surplus

| | 2022 | 2021 |
|---|-------|-------|
| Operating surplus is stated after charging: | £'000 | £'000 |
| Depreciation | 6,341 | 5,762 |
| Auditors' remuneration – audit services | 23 | 15 |
| Operating lease rentals | 70 | 73 |

8. Interest Payable and Other Charges

| | 2022 | 2021 |
|---|--------------|--------------|
| | £'000 | £'000 |
| On loans payable wholly or partly in more than 5 years: | | |
| Amounts payable to Banks and Building Societies | 959 | 972 |
| Other fees | 26 | 142 |
| Finance interest cost on pension | 61 | 77 |
| | 1,046 | 1,191 |

Notes to the Financial Statements

for the year ended 31 March 2022

9. Tangible Fixed Assets

| | Housing Properties held for letting | Shared Ownership housing Properties | Housing properties in the course of construction | Total Housing Properties |
|--|-------------------------------------|-------------------------------------|--|--------------------------|
| | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | |
| At beginning of year | 237,750 | 1,506 | 1,354 | 240,610 |
| Additions | 5,642 | 100 | 3,502 | 9,244 |
| Disposals | (1,145) | (62) | - | (1,207) |
| Transfers | 502 | (161) | (341) | - |
| At 31 March 2021 | 242,749 | 1,383 | 4,515 | 248,647 |
| Depreciation | | | | |
| At beginning of year | 87,797 | 566 | 454 | 88,817 |
| Charge for year | 5,782 | 23 | - | 5,805 |
| Disposals | (1,000) | (15) | - | (1,015) |
| Transfers | 60 | (60) | - | - |
| At 31 March 2021 | 92,639 | 514 | 454 | 93,607 |
| Net Book Value at 31 March 2022 | 150,110 | 869 | 4,061 | 155,040 |
| Net Book Value at 1 April 2021 | 149,953 | 940 | 900 | 151,793 |

Total expenditure on existing properties amounted to £11,287k (2021: £9,972k). Total capitalised expenditure on existing properties in the year amounted to £5,983k (2021: £6,239k) with the balance charged to the Statement of Comprehensive Income. During the year Trust disposed of 1 Shared Ownership and purchased outright 3 of their Shared Ownership properties leaving 35 Shared Ownership properties remaining at the year end. The carrying value of land included in tangible fixed assets is £22m (2021: £22m). The percentage of housing stock, by number of properties, pledged as security for funding is 69% (2021: 69%).

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 (continued)

| | Office Properties | Fixtures and Fittings | 2022 Total |
|--|----------------------|--------------------------|---------------|
| | £'000 | £'000 | £'000 |
| Cost | | | |
| At beginning of year | 4,413 | 5,464 | 9,877 |
| Additions | - | 408 | 408 |
| At 31 March 2022 | 4,413 | 5,872 | 10,285 |
| Depreciation | | | |
| At beginning of year | 2,450 | 4,071 | 6,521 |
| Charge for year | 90 | 445 | 535 |
| At 31 March 2022 | 2,540 | 4,516 | 7,056 |
| Net Book Value at 31 March 2022 | 1,873 | 1,356 | 3,229 |
| Net Book Value at 1 April 2021 | 1,963 | 1,393 | 3,357 |

10. Trade and other receivables

| Amounts falling due within one year: | 2022 £'000 | 2021 £'000 |
|--------------------------------------|---------------|---------------|
| Rent and Service Charge Arrears | 763 | 722 |
| Less: bad debt provision | (374) | (374) |
| | 389 | 348 |
| Intercompany Debtors | 92 | 53 |
| Other debtors | 61 | 623 |
| Prepayments and accrued income | 212 | 614 |
| Sundry Debtors | 1,259 | 1,227 |
| Less: Bad debt provision | (202) | (448) |
| | 1,811 | 2,417 |

Notes to the Financial Statements

for the year ended 31 March 2022

11. Cash and Cash Equivalents

| | 2022 £'000 | 2021 £'000 |
|---------------------------------|---------------|---------------|
| Cash at bank and in hand | 23,973 | 3,363 |

At the end of the year 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

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Rent in advance | 600 | 453 |
| Deferred capital grants to be released within one year (note 15) | 3,675 | 3,527 |
| Housing loans (note 14) | 2,259 | 2,553 |
| Other taxation and social security | 228 | 192 |
| Other creditors and accruals | 3,934 | 4,476 |
| Service Equalisation Account | 1,512 | 1,712 |
| | 12,208 | 12,913 |

13. Creditors due after more than one year

| Housing loans: | 2022 £'000 | 2021 £'000 |
|-----------------------------------|----------------|----------------|
| Housing loans (note 14) | 52,253 | 29,184 |
| Deferred capital grants (note 15) | 81,096 | 80,843 |
| | 133,349 | 110,027 |

14. Housing Loans

| | 2022 £'000 | 2021 £'000 |
|----------------------------|---------------|---------------|
| Less than one year | 2,259 | 2,553 |
| Between one and two years | 2,215 | 2,608 |
| Between two and five years | 5,726 | 9,297 |
| In five years or more | 44,746 | 17,280 |
| Amortised Loan Fees | (433) | - |
| | 54,513 | 31,738 |

Trust's housing loan borrowings increased during the year from £31.7m at March 2021 to £54.5m at March 2022. As at 31 March the percentage of housing loans arranged at fixed interest rate was 51% (2021: 6%).

Variable rate loans accrue interest at rates between 2.6% and 3.2% per annum. The repayment terms vary between 3 and 22 years.

Fixed rate loans accrue interest at rates between 3.53% and 7.12% per annum. The repayment terms vary between 2 and 32 years.

15. Deferred capital grants

| | 2022 | 2021 |
|------------------------------------|---------------|---------------|
| Balance at beginning of year | 84,370 | 87,163 |
| New grants received | 4,000 | 850 |
| Disposals | (22) | - |
| Released to income during the year | (3,577) | (3,643) |
| Balance at end of year | 84,771 | 84,370 |

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Amounts to be released within one year | 3,675 | 3,527 |
| Amounts to be released in more than one year | 81,096 | 80,843 |
| | 84,771 | 84,370 |

All deferred capital grants were in respect of Social Housing.

Notes to the Financial Statements

for the year ended 31 March 2022

16. Called Up Share Capital

| | 2022 | 2021 |
|---|------------|------------|
| Shares of £1 each issued and fully paid: | | |
| At beginning of year | 355 | 402 |
| Movement during year | (12) | (47) |
| At end of year | 343 | 355 |

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 a members' meetings.

17. Units in Management

| | 2022 | 2021 |
|------------------------------|-----------------|-----------------|
| | Number of Units | Number of Units |
| Housing accommodation | 1,292 | 1,289 |
| Supported accommodation | 2,337 | 2,337 |
| Shared ownership | 35 | 39 |
| Total number of units | 3,664 | 3,665 |

18. Accommodation Managed by Others

| Name of Managing Body | 2021 | 2020 |
|------------------------------|-----------|-----------|
| Leonard Cheshire Foundation | 16 | 16 |
| Trust Enterprises Limited | 56 | 56 |
| Total number of units | 72 | 72 |

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, £348k in rent was collected by the Association on behalf of its Subsidiary and the Subsidiary provided for a £92k 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 £89k was due to Trust Enterprises Limited by Trust Housing Association.

20. Capital Commitments

| | 2022 | 2021 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Capital Expenditure that has been contracted for but has not been provided for in the accounts (gross of grants receivable) | 5,632 | 6,677 |

21. Analysis of changes in net debt

| | As at 31 March 2021 | Cash Flows | Other Change | At 31 March 2022 |
|--------------------------------------|------------------------|----------------|--------------|---------------------|
| Cash | 3,363 | 20,610 | - | 23,973 |
| Bank loans due within one year | (2,553) | 2,142 | (1,848) | (2,259) |
| Bank loans due greater than one year | (29,185) | (25,350) | 2,281 | (52,254) |
| Total | (28,375) | (2,598) | 433 | (30,540) |

Notes to the Financial Statements

for the year ended 31 March 2022

22. Operating lease commitments

As at 31 March 2022 the association had future minimum lease payments under non-cancellable operating leases as follows:

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Not later than one year | 33 | 55 |
| Later than one year and not later than five years | 12 | 41 |
| | 45 | 96 |

23. Provisions

| | 2022 £'000 | 2021 £'000 |
|----------------------|---------------|---------------|
| Property remediation | 225 | - |
| | 225 | - |

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 £383k (2021: £356k) and were charged to the Statement of Comprehensive Income. At the end of the year £30K was payable in respect of contributions for 2021/22.

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 2022 is £NIL (2021: £3,357k).

The estimate of total contributions payable by the Association in 2022/23 is £517k to the SHAPS scheme. At the end of the year £3K was payable in respect of contributions for 2021/22.

Notes to the Financial Statements

for the year ended 31 March 2022

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

| | 31 March 2022 (£000s) | 31 March 2021 (£000s) |
|---|--------------------------|--------------------------|
| Fair value of plan assets | 33,268 | 32,153 |
| Present value of defined benefit obligation | 33,263 | 35,510 |
| Surplus (deficit) in plan | 5 | (3,357) |
| Unrecognised surplus | 5 | - |
| Defined benefit asset (liability) to be recognised | - | (3,357) |

The surplus has not been recognised on grounds of materiality.

Reconciliation of opening and closing balances of the defined benefit obligation

| | Period from 31 March 2021 to 31 March 2022 (£000s) |
|--|---|
| Defined benefit obligation at start of period | 35,510 |
| Current service cost | 54 |
| Expenses | 32 |
| Interest expense | 752 |
| Member contributions | 37 |
| Actuarial gains | (2,022) |
| Benefits paid and expenses | (1,100) |
| Defined benefit obligation at end of period | 33,263 |

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

| | Period from 31 March 2021 to 31 March 2022 (£000s) |
|--|---|
| Fair value of plan assets at start of period | 32,153 |
| Interest income | 691 |
| Experience on plan assets (excluding amounts included in interest income) - gain (loss) | 411 |
| Employer contributions | 1,076 |
| Member contributions | 37 |
| Benefits paid and expenses | (1,100) |
| Fair value of plan assets at end of period | 33,268 |

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2021 to 31 March 2022 was £1,102,000.

Defined benefit costs recognised in statement of comprehensive income (SOCl)

| | Period from 31 March 2021 to 31 March 2022 (£000s) |
|---|---|
| Current service cost | 54 |
| Expenses | 32 |
| Net interest expense | 61 |
| Defined benefit costs recognised in Statement of Comprehensive Income (SoCI) | 147 |

Key Assumptions

| | 31 March 2022 (£000s) | 31 March 2021 (£000s) |
|---|--------------------------|--------------------------|
| Discount Rate | 2.79% | 2.15% |
| Inflation (RPI) | 3.62% | 3.29% |
| Inflation (CPI) | 3.21% | 2.86% |
| Salary Growth | 3.21% | 3.86% |
| Allowance for commutation of pension for cash at retirement | 75% of maximum allowance | 75% of maximum allowance |

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

| | Life expectancy at age 65 (Years) |
|-------------------------|--------------------------------------|
| Male retiring in 2022 | 21.6 |
| Female retiring in 2022 | 23.9 |
| Male retiring in 2042 | 22.9 |
| Female retiring in 2042 | 25.4 |

25. Financial Instruments

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Financial assets | | |
| Cash and Cash Equivalents | 23,973 | 3,363 |
| Financial assets that are debt instruments measured at amortised cost | 1,811 | 2,417 |
| | 25,784 | 5,780 |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | 60,559 | 38,378 |
| | 60,559 | 38,378 |

Financial assets measured at amortised costs 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 £15,645 (2021: £20,851) of rent was receivable from these tenant members. At the year-end there was £165 (2021: £69) of rent paid in advance by two tenant members and £NIL (2021: £15) 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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Housing, Care and Support Provider

Version: 09/22

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

