

BIELD HOUSING & CARE

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2021



 **BIELD**
FREE TO BE

CONTENTS

	Page
Board, Directors and Advisers	3
Operating and Financial Review	4-17
Statement of the Board's responsibilities	18
Board Statement on Internal Financial Controls	19
Independent Auditor's Report	20-23
Independent Auditor's Report on Corporate Governance Matters	24
Statement of Comprehensive Income	25
Statement of Financial Position	26
Statement of Changes in Reserves	27
Statement of Cashflows	28
Notes to the Financial Statements	29-42

BOARD OF MANAGEMENT, DIRECTORS AND ADVISERS

BOARD:

Lesley Holdsworth OBE, PhD,
MPhil, FCSP, FFCI, FWCT, SRP,
DPT (Chair)

Margaret Moore (Vice Chair)

David Scobie, FRICS

Pat Dawson

Ingirid Deuling, Dip COT,
COTSS-Housing, HCPC
(Retired), BEM

William Smalley*

Isabel McGarvie, B'Acc, CA, ATII

Graeme Russell, BA(Hons) FCIH
(appointed 17 September 2020)

Robert Fernie, ACMA, CGMA
(Vice-Chair)

Eric Lewis **
(appointed 17 September 2020)

Soumen Sengupta MBA, MSc,
Bsc(Hons) (co-opted from 17
September 2020)

Carole Lamond FCIPD, MAC
(co-opted from 17 September
2020)

Janette Stone, MCIPD (resigned
3 April 2020)

Gerry O'Sullivan, BA (resigned 17
September 2020)

Moira Sibbald (resigned 17
September 2020)

COMPANY SECRETARY:

Clare Beesley

SENIOR MANAGEMENT TEAM:

Chief Executive

Dr. Lynne Douglas Prof.D.MPhil
BSC

Business Development

Val Hunter, BSc, MRICS

Finance & Resources

Paula Rice, BCom,
BAccSc(Hons), CA(SA)

Customer Services

Diana MacLean MSc MPA FCIH

BANKERS:

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

SOLICITORS:

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Melrose House
69a George Street
Edinburgh
EH2 2JG

EXTERNAL AUDITORS:

RSM UK Audit LLP
First Floor, Quay 2
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Edinburgh
EH3 9QS

INTERNAL AUDITORS:

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Street
Glasgow
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REGISTERED OFFICE:

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Edinburgh
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* Tenant of Bield

** Sharing Owner of Bield

OPERATING AND FINANCIAL REVIEW

The Board presents its Operating and Financial Review and the audited financial statements for the year ended 31 March 2021. The Operating and Financial Review has been prepared in accordance with the ASB's Reporting Statement issued in January 2006 and is in line with the Housing SORP 2018 requirement to include a strategic report as part of this review.

OVERVIEW OF BUSINESS

Bield Housing & Care ('Bield') is a charitable Registered Social Landlord (RSL) set up in 1971. Bield celebrates its 50th Birthday this year and we are running a series of events to commemorate Bield's past and re-vision our future. Bield's primary objective remains to improve the quality of life of older people by offering a diverse range of housing, care and other services. Bield has nearly 5,400 properties in management located across Scotland.

The main areas of business are:

- Supported housing for older people
- Housing for general needs
- Housing support services
- Home and day care services
- Management services to owner occupiers in private retirement housing
- Bield Response 24, a community alarm service.

GOVERNANCE & MANAGEMENT

Bield is governed by a voluntary Board and a full list of Board members is shown on page 3. The composition of the Board currently includes one Bield tenant and one sharing owner. Bield has undergone a detailed Governance Review during the year to ensure that the Senior Management Team and Board members work collaboratively to fully discharge the duties of Governance and effectively manage Bield's people and resources. This has included modernising the way that we work and a review of the structure, roles and remits of the Board and sub-committees.

The Board is ultimately responsible for Bield's strategic direction, governance and overall control and reviews its operating and financial position. It is provided with timely and relevant information in order to discharge its duties. Bield's refreshed governance arrangements will ensure that the Board is able to operate in an effective more streamlined and efficient manner.

The Board is well equipped to bring independent judgement to bear on issues of strategy, performance, resource management and standards of conduct that are vital to the success of the business. The Board's skill mix will continue to be reviewed on a regular basis and, where gaps are identified, Board members will seek to identify individuals from within Bield's existing

membership and the wider environment to strengthen the range of expertise within the Board's membership. Bield carries out annual individual reviews of Board members, facilitated through a conversation with the Chair of the Board. These conversations assist in identifying learning and development needs, reviewing the contribution of individual members and aids succession planning. New Board members are elected at Bield's Annual General Meeting and are led through an induction training programme for new Board members. Training and development of Board members is, and will continue to be, a priority.

Bield is managed by the Senior Management Team (SMT) of Directors. Details of the membership of the SMT are provided on page 1. Bield has seen the full renewal of the team over the last two years and has embarked on a period of review and assessment of the role and remits of the individual directorates. The modernisation and reshaping of the business for the future has been a top priority for the new team and has been managed against the backdrop of the Covid-19 pandemic and remote working. Further Organisational Design work has identified the need for an additional Director (People and Organisational Development) post which will be recruited for in the 2021/22 business year.

REGULATION

Bield is primarily regulated by the Scottish Housing Regulator (Registration HEP71). As part of the Regulator's risk-based approach to inspection, the Scottish Housing Regulator continues to view Bield as being 'systemically important' during 2020-21. This level of engagement has remained unaltered from the previous year and is a result of Bield's primary business in relation to turnover size and significance within the area of operation. Bield continues to engage actively with the Regulator and meets all of the requirements from the regulation plan including the Annual Assurance Statement. Bield provided this statement confirming full compliance with the Regulatory Standards.

STRATEGY AND OBJECTIVES

Bield's objectives and strategy are based on a comprehensive and fundamental review of the Business Strategy covering a five-year period to 2022-23. The primary strategy was approved by the Board in May 2018 with a third annual refresh approved in March 2021. In reviewing this year's strategy and objectives we have recognised the 2021-22 Business Plan needs to be responsive and adaptive. Our long-term strategy, objectives, vision, mission and values remain focused, but the delivery of these needs to be tailored to the changing environment to make the business fit for purpose in its 50th year and beyond.

OUR VISION

We will modernise Bield Housing & Care and celebrate its heritage and standing as a Registered Social Landlord. We will achieve this by listening to our customers, talking to our staff and securing a solid platform from which to deliver the future services and homes for our growing older population.

OUR MISSION

To enable older people in Scotland to live a full and independent life that improves the quality of their lives and achieves outcomes that are central to what matters to them. We will do this by ensuring a diverse range of housing, care and other service options tailored to the needs of our client group.

OUR VALUES

Our seven values are especially important to us, they guide our approach to each other, our customers and partners.

**Caring, Honesty,
Equality & Diversity,
Dignity, Inclusion,
Ambition, Kindness.**

Bield is committed to continuously improving its services for older people, involving an on-going programme of review and improvement. Our aim is to 'Put our Customers First' by making them the heart of everything we do, along with a belief that we can help them make their own choices and be free to live as independently as possible.

THE BUSINESS STRATEGY HAS THREE STRATEGIC OUTCOMES AND THREE ENABLERS:

OUTCOMES AND ENABLERS



Strategic Outcome



Strategic Enabler



Our **Outcomes** are achieved from effective use of our **Enablers**



Our **Enablers** help to shape and deliver our **Outcomes**

Bield's strategy contains three main outcomes which will always aim to put the customer first in our decision making. Our enablers are the mechanism by which we deliver these outcomes. A series of detailed annual delivery plans containing operational objectives and initiatives are set out to help us to deliver our strategic outcomes. These are underpinned by targets, timescales and defined staff responsibilities to ensure that the results are delivered. Although our mission, outcomes and enablers remain unchanged, it is clear, from our experience in the pandemic that for this operational year, we must focus on the first two enablers; people and resources to ensure that we will be able to deliver all of our outcomes for customers.

The Business Strategy sets out our long-term goals and is aligned with our vision, mission and values. It recognises that Bield operates in a fast-changing and dynamic external environment. The prevailing financial climate has had an impact on

Bield. Funding cuts and a need for ever-greater efficiency will be ongoing challenges for Bield and the wider sector in coming years. In addition, adjustments in National and Scottish Government priorities have led to changes in policy direction within the sector.

Key external policy drivers identified as impacting on Bield have been identified as follows:

- Covid-19 regulatory guidance and economic impact.
- Brexit and impact on wider economy.
- Affordable Housing Supply Programme (AHSP).
- Welfare and social care reform agenda.
- Energy Efficiency Standard for Social Housing (ESSH2).
- Carbon neutral targets.

The pandemic highlighted many areas, particularly around processes and systems, that require investment and redesign, and these are part of our 2021-22 business plan. To improve some of these legacy processes we have amended our existing vision to help shape the business plan. Through bridging the pandemic themes with our ongoing corporate objectives, Bield will emerge as a stronger, fit-for-purpose organisation valued by our tenants and staff. Any financial commitments arising from the Business Strategy are reflected in Bield's Annual Budget and long-term financial projections.

In addition to the long-standing corporate objectives our revised 2021-22 business plan priorities are:

- Keep customers, staff and services safe until the end of the pandemic and beyond.
- Plan for Covid recovery, remobilisation and renewal.
- Be the older persons social landlord of choice in Scotland.
- Deliver desirable high-quality services, for older people, at a fair cost.
- Ensure that Our Homes are of high quality and reflect customer expectations.

TARGET MARKET & PRODUCTS

Bield is focused on providing housing and support services to older people. Our ambition is to continue to be a leading provider of services to meet the increasing needs of Scotland's rapidly growing older population.

Research has identified that there will be a significant increase in demand for purpose built, tailored accommodation with aligned services over the next 25 years. The largest increases are predicted for those aged 75+ who are likely to need a wide range of specialist accommodation and aligned services. The 2018 Scottish Government publication "Age, Home and Community: the next phase" has articulated the vision that older people in Scotland should live full and positive lives in homes that meet their needs. The increase in demand is driven in part due to the fact that large sectors of the population are living longer. This has led, in some areas, to a growing incidence of the number of older people with multiple underlying conditions such as dementia, who require more specialist accommodation and services. But there is also a separate demographic who, while living longer, are also staying healthier longer, which allows moving into specialist accommodation or the need for care to be postponed to a later age. This is a difficult balance of needs to plan for.

Bield is committed to providing accommodation suited to an aging population which meets the expectations, aspirations and needs of older people in the future. We will be working over the next year to understand more clearly who our 'Customer of the future' will be and what they will need and expect from us as a leading housing provider.

Bield is primarily a provider of social housing for older people within Retirement Housing and Retirement Housing with Meals services. Additional care services are offered in some of our developments on an individual basis funded through local authorities Housing Support Grant or care packages. In recent years this service has been extended to customers who are not Bield tenants through floating support services.

Bield also provides an innovative telecare service (BR24) to tenants. In recent years this service has expanded and is now offered to other outside organisations across Scotland. BR24 is at the forefront of telecare innovation and has responded positively to the Covid-19 pressures and continued to deliver a vital service to its customers while operating remotely.

COVID-19 IMPACT

Bield has now been operating for a full year under Covid-19 restrictions to some degree. Our staff have continued to deliver front line services to our tenants and provide additional support to our communities. The operations and strategic priorities for the Association have changed materially throughout the year. The Covid experience has accelerated some of our change programmes relating to ways of working, virtual connectivity and digital capability which enabled our staff to work effectively during lockdown. We have had to be agile as a business and adapt quickly to changing circumstances, demands and regulations. We have learnt a great deal over the last year about how resilient our staff are, how valued our services are and how vital we are for many of our vulnerable tenants. Bield staff have truly embraced our role as they have continued delivering front line services as key workers.

Throughout the pandemic a Critical Response Team has been in place and has worked across the business to stabilise the business-critical areas to ensure there is capacity and contingency plans are in place. The activities of this team, and the wider leadership across the business, has flexed as we have moved into and out of lockdown. The business has followed the Scottish Government Guidance as it has changed to adapt to the level of infection and risk in the communities. Local and regional variations have been considered and services have been tailored to deliver what has been safe and sustainable based on the guidance. Bield has needed to adapt and re-prioritise key business processes and change the way that we operated.

Throughout the Covid-19 crisis there has been an ever-changing set of complex regulations and recommendations which we have implemented and followed in full. Our primary goal has been

to continue to deliver services to our customers while still keeping all of our customers and staff safe and well during the crisis. Long term strategies have been implemented to manage business operations, respond to changes in government guidance and ensure the safety and wellbeing of our staff and customers.

The pandemic has highlighted areas where we are able to modernise and modify our systems, processes and practices, and large-scale projects are underway across the business to do this. We have taken the opportunity to upgrade and re-assess the IT infrastructure and increase our use of technology to continue to deliver the most appropriate and best quality service for our customers while ensuring that our staff are also kept safe and secure. These are the key components in getting the Association through these difficult and unprecedented times and they will continue to underpin our operations at Bield for a considerable time. The impact of Covid-19 will be with us for a long time to come and we are now starting to work towards a strategy for a 'new normal'. The process to emerge from the pandemic footing will be long and complex but it will be based on the Scottish Government phased plan. A working group is planning for the formal return to the offices and is considering alternative hybrid models of working as part of this process. This will be done in conjunction with the People Strategy delivery and in consultation with the Employee Forum.

The Board have been kept informed of and have supported decisions made by the Management Team in response to the pressures resulting from the pandemic. As a business, Bield has continued to be sensitive to the needs of our staff and customers, supporting them, along with our partners in the best way we can.

KEY RISKS IMPACTING ON FUTURE PERFORMANCE

Like all businesses, Bield faces a wide variety of business-related risks. The pandemic has altered some risk assessments and mitigation tools, but the fundamental operations of the business and key risks remain the same. Bield's approach to risk management is to ensure that an awareness of risk is embedded at all levels within the organisation and that an effective system is in place for monitoring and recording identified risks. The overarching Risk Management Framework outlines the responsibilities of Board members and staff.

Functional risk maps are developed to match as far as possible the responsibilities at Board, Committees and Senior Management level. The risk maps are reviewed by management and the Board with risks assessed using a rating method as to the level of risk to the organisation. Where new

risks are identified or changes in circumstances lead to an alteration of assessment ratings, risk maps and mitigations are altered where appropriate. Regular reviews across the business help to reinforce the process of embedding a risk management culture across the organisation. Appropriate control procedures and monitoring arrangements have been included within the relevant Risk Maps to ensure that risks are managed appropriately.

Bield continues to operate within a very dynamic and fast-changing external environment, accentuated by the Covid-19 pandemic, creating many challenges. The following main risks have been identified as the risks most likely to affect Bield's future performance:

Key Risk	Background and Mitigation of Risk
Coronavirus	The coronavirus pandemic continues to influence Bield's operations and performance and has created numerous challenges. Bield's tenants and customers fall largely into higher risk categories and have been significantly affected by ongoing pandemic regulations and restrictions. The most significant impacts have changed throughout the year as the different phases of the pandemic have developed. Ongoing risks include loss of income, delayed planned works, PPE supply chains and failure to meet regulatory expectations. Mitigations are in place to monitor and control these risks as well as possible within the current climate.
Loss of income through void properties	Increased void levels, driven in part, by the pandemic, has compounded issues with some 'difficult-to-let' properties with a consequent loss of rental income. This has been proactively managed through new lettings initiatives and progressions of Bield's Asset Management Strategy. In recent months, there has been a reduction in the levels of income lost through voids against the earlier part of the year but it remains a key risk.
Generation of expected sales income	This risk has reduced due to the Board decision to transfer a large portion of the unsold shared ownership properties to social rent. There are a small number of units still held for sale, (Note 12) but there has been positive progress in these sales leads. A review of the Shared Ownership Model is being planned.
Increased Pension deficits	The actuarial assessment for the accounts disclosure at March 2021 is recording a substantial increase in the fund deficit. The final triennial valuation of the SHPS scheme results, due later in the year, are expected to confirm this increase in the pension deficit position. This will result in a requirement for increased future deficit contributions. Bield's financial projections include provision for this trend of increased employer contributions. It is difficult to mitigate this risk while still participating in a multi-employer pension scheme. Consideration of Bield's ongoing pension offer to staff will be given as part of the People Strategy.

All risks will continue to be assessed, managed and controlled in accordance with the approved risk management strategy. Bield will continue to accept risks inherent in the achievement of its Mission and Strategic Outcomes, as set out within

the Business Strategy, provided these are properly assessed. Any risk which materially jeopardises Bield's ability to achieve its Mission or Strategic Outcomes or conduct its business will not be accepted.

OPERATIONAL PERFORMANCE

A number of major projects were initiated or successfully completed during 2020-21, including:

- We have continued to offer a safe and secure service for our staff and customers, with appropriate levels of PPE throughout the pandemic.
- The project to deliver a replacement housing management system (CX) was reinvigorated in 2020/21 to be delivered by April 2022. The project will modernise Bield's processes and reporting and will support a modern approach to housing management.
- 30 units were transferred to Social Rent at Malory House from the assets held for sale at The Walled Gardens and Bield secured £1.9m Scottish Government Grant to do so. (Note 11b and Note 17)
- Bield Shared Ownership – 2 units were sold at 75% in The Walled Gardens, with the remaining 25% ownership remaining with Bield.
- BR24 teams continued to provide our services remotely during the pandemic and retained our TSA accreditation.
- New advisory groups have been constituted to manage the significant change programmes for our Digital Strategy (DSAG) and People Strategy (PSAG).
- We reviewed our reporting on the Scottish Social Housing Charter and put in place significant improvements in our reporting.
- We were supported by the Scottish Government, through its Connecting Scotland Programme, to supply 123 iPads and Laptops with internet access across East and West Lothian, to address issues of isolation during the pandemic.

RESOURCES

HOUSING STOCK

Bield manages nearly 5,400 properties, of which almost 4,600 are owned or in shared ownership by Bield, making it one of the largest RSLs in Scotland.

The aim of Bield is to have a common level of rents for all similar properties. The rent policy should be logical, consistent and easily applied. Bield's rent policy applies our three main objectives, affordability for the client group, financial viability for Bield and, marketability compared with its peer group. We are in the final year of the phased implementation of Bield's rent policy review which began from 1 April 2019.

At 31 March 2021, Bield had the following stock in management:

	2021	2020
Amenity	396	365
Retirement (including Sheltered)	2,750	2,750
Retirement Housing with Meals, Plus (including Very Sheltered)	1,190	1,189
General Needs	127	127
Resident Staff	2	2
Shared Ownership / Equity	151	160
Owner Services	797	788
Total	5,413	5,381

The Board recognises the need to maintain and improve existing housing stock. Bield is expecting to spend around £67m on maintaining its properties and improving the energy efficiency standards over the next five years. A Strategic Asset Survey is in progress which will review Bield's existing housing stock for redevelopment and re-provisioning. This level of expenditure will have a significant impact on the reserves balances that Bield currently holds and the cash requirements of the organisation. Bield has access to sufficient resources to carry out this plan.

EMPLOYEES

Bield's people are a vital resource for our organisation – we rely on our dedicated workforce in order to deliver a high-quality service to our customers. We have all recognised the commitment from our staff throughout the pandemic and the vital role that they have played in keeping our services safe and operational. During 2020-21, the average number of full-time equivalent staff employed by Bield was 457 (2019-20: 468).

Bield is concerned with making sure that our key resource, our people are well managed. We review performance against a number of wide-ranging benchmarks such as staff turnover levels, sickness absence, ethnic mix, gender and age profile against available statistics on a regular basis. In recognition of the importance of our people, we have begun work on a developing a new People Strategy which will be reviewing all of our related policies, processes and procedures. We will begin the implementation of this strategy as part of the 2021/22 Business Plan and we will be seeking the feedback from staff throughout the process through consultations with employee representatives and at the Employee Forum. Bield is committed to improving staff communications and involvement. To do so we commit to the sharing of the Business Plan and future strategies with staff and a range of communications including regular staff meetings, newsletters and the use of the intranet, Grapevine.

To support staff in the past year Health & Wellbeing throughout the pandemic has been a priority and we have created a virtual Health & Wellbeing page for staff on our internet site. This contains evidence-based materials that promote physical and mental wellbeing and offers staff resources to access should they have a pressing need. We also support good mental health practices in the workplace and the HR team are trained in Mental Health First Aid and we have and encourage staff to access confidential counselling services should it be required.

The Investors in People standard was first awarded in 1997 and has been successfully maintained since, with the most recent review in 2018-19 awarding silver status to the organisation. This accreditation remains in place until late in 2021 when we will again seek re-accreditation.

Applications for employment by disabled persons are given full and fair consideration for

all vacancies in accordance with their particular aptitudes and abilities as are applications from other persons irrespective of gender, sexual orientation, marital status, age, religious belief, race or ethnic origin.

EQUALITY & DIVERSITY

The Board is committed to achieving equality through diversity and its policies and strategies recognise that all people have a right to their own distinctive and diverse identity. The Board recognises that it has the power to reduce the disadvantages that people experience by making services more responsive to all communities and individual needs. Bield's Equality & Diversity Strategy commits Bield to providing equality of opportunity for all. An Equality Action Plan has been compiled and is included in the Business Strategy. Bield takes a positive approach to promoting its services to the Black and Minority Ethnic (BME) communities.

INFORMATION & COMMUNICATIONS TECHNOLOGY (ICT)

The Covid-19 pandemic has emphasised how important our ICT infrastructure is to the daily operation of the business. Bield has successfully transitioned into a remote working organisation for our non-development workforce by providing the hardware and connectivity to our office staff throughout the pandemic. This has necessitated the acceleration of some of our hardware replacement programmes and the transfer of some core systems to the cloud. We have also embarked on a business wide 'modernisation' and upgrade of our core systems. This programme of change or 'Big Reboot' is being managed through a Digital Strategy Advisory Group (DSAG) which is looking at the wider digitisation projects across our offices and housing estate. The ongoing work to support the move from analogue to digital is widening its scope to include other vital services as we begin to see how we can make improvements in multiple areas through the introduction of new technologies.

CONTINUOUS IMPROVEMENT

Bield is committed to the principle of continuous improvement and the Business Strategy 2018-23 seeks to ensure services are reviewed and improved as required. The Senior Management Team and the Board have committed to making sure that our policies, processes and systems are being fully reviewed and refreshed to ensure that Bield will continue to deliver our services and support for the next 50 years. The Business Strategy and Performance Management Framework will continue to identify areas of the business for improvement.

THE MODERN SLAVERY ACT 2015

The Modern Slavery Act 2015 requires certain organisations to provide information regarding their efforts to eliminate slavery and human trafficking in their supply chains. We carry out checks on our suppliers through pre-qualification questionnaires and/or tender documents. In doing so, we exclude any unsuitable companies. Once we engage a supplier, we make sure they have policies which are similar to ours and match our overall values.

The following statement sets out the position of Bield in compliance with the Act. We strive to make sure that when we purchase goods and services we comply with all relevant laws and conduct ourselves in an open, honest and ethical manner. We have included a Modern Slavery clause in our framework agreement for maintenance contractors. The clause describes the obligations upon any contractor employed by Bield under the framework in terms of addressing the Act.

We recognise the need to raise awareness across the workforce and will take reasonable steps to develop relevant training and a Modern Slavery Act Guidance document. Bield, therefore, believes that to the best of its knowledge, its suppliers do not engage in illegal slavery or human trafficking.

HEALTH AND SAFETY

The Board is aware of its responsibilities on all matters relating to health and safety. The pandemic has highlighted the importance of good policies, practices and procedures to ensure that our staff and tenants are kept safe and our properties are secure. The work that was done on our detailed Pandemic Plans have helped us prepare and navigate the many changing rules and regulations that have been necessary for us to follow during the crisis. We are currently reviewing all of our detailed health and safety policies and commit to continue to provide staff training and education on health and safety matters. Bield has a Health & Safety Management Group. This group, which includes Directors, meets to oversee activities and procedures related to health and safety. Employee consultation on health and safety matters is conducted through the Employee Forum. The Board receives six-monthly reports on health and safety issues.

ENVIRONMENTAL, SOCIAL AND COMMUNITY ISSUES

Bield is committed to providing a sustainable, responsible business model and working towards making our properties as environmentally friendly as we are able. We work with our stakeholders and others in the sector to advance policies and practices that promote environmental responsibility. Bield takes its environmental commitments seriously and strives, wherever possible and within financial constraints, to minimise the impact of its activities on the environment. We are working to improve energy efficiency standards within developments to improve the lives of our tenants and promote positive practices within our communities.

Bield recognises that there are physical limits to the resources of the Earth (both in terms of generating materials and absorbing waste), and

that any business that exceeds these limits is, by definition, unsustainable in the long term. In addition to making effective use of natural resources and enhancing the environment, Bield also believes that to achieve short- and long-term sustainability we need to promote social cohesion and inclusion and strengthen economic prosperity in the communities in which we work. Bield has been actively working within our communities and with our dedicated volunteers throughout the pandemic to support our tenants and their families to manage throughout this difficult period. We have not been able to operate all services as usual, but our development managers have stepped forward and supported and engaged with tenants and the wider community at a local level. Our Bield values underpin all of our interactions in the communities where we are based.



FINANCIAL REVIEW

ACCOUNTING POLICIES

The principal accounting policies of Bield are set out in Note 1 on pages 29-42 of notes to the Financial Statements.

FINANCIAL HIGHLIGHTS

Turnover for the year was £41.3m (2020: £42.9m) which is a £1.6m decrease from the prior year's ongoing operations.

Operating costs for the year were £37.3m (2020: £38.1m), a decrease of £0.8m from the prior year. The main difference is due to the impact of Covid-19 on operations. The total operating surplus is £4.0m (2020: £3.6m) for the year. The business will look to continue increasing operational surpluses in future years in order to maintain financial viability in the longer term.

The total comprehensive loss of £1.3m (2020: £11.4m surplus) has been returned for the year which is a large reduction from the previous year primarily due to the non-cash increase of the pension liability of £7.35m (2020: £8.2m - positive) for the defined benefit pension scheme which was largely driven by changes in the actuarial assumptions underlying the valuation and the specific issues for Bield.

Capital expenditure on properties amounted to £5.4m (2020: £3.9m) with £0.3m expenditure on the new build development programme. We have received new grant funding of £1.9m for the transfer of the 30 units in Malory House from Properties for Sale to Social Rent. After a depreciation charge of £6.2m (2020: £6.2m), the net book value of Bield's housing properties decreased from £117.7m to £116.5m.

PENSIONS

Bield is a member of the SHPS multi-employer defined benefit pension scheme and from 1 April 2019, the Association was able to recognise its share of the scheme assets and liabilities in line with FRS 102. The new defined benefit liability as at 31 March 2021 is £ 11.538m (2020: £5.689m) and has therefore resulted in an increase in the net liability at 31 March of £5.849m. Further detail in

relation to the pension liability is recorded in Note 24 to the financial statements.

INVESTMENT PERFORMANCE

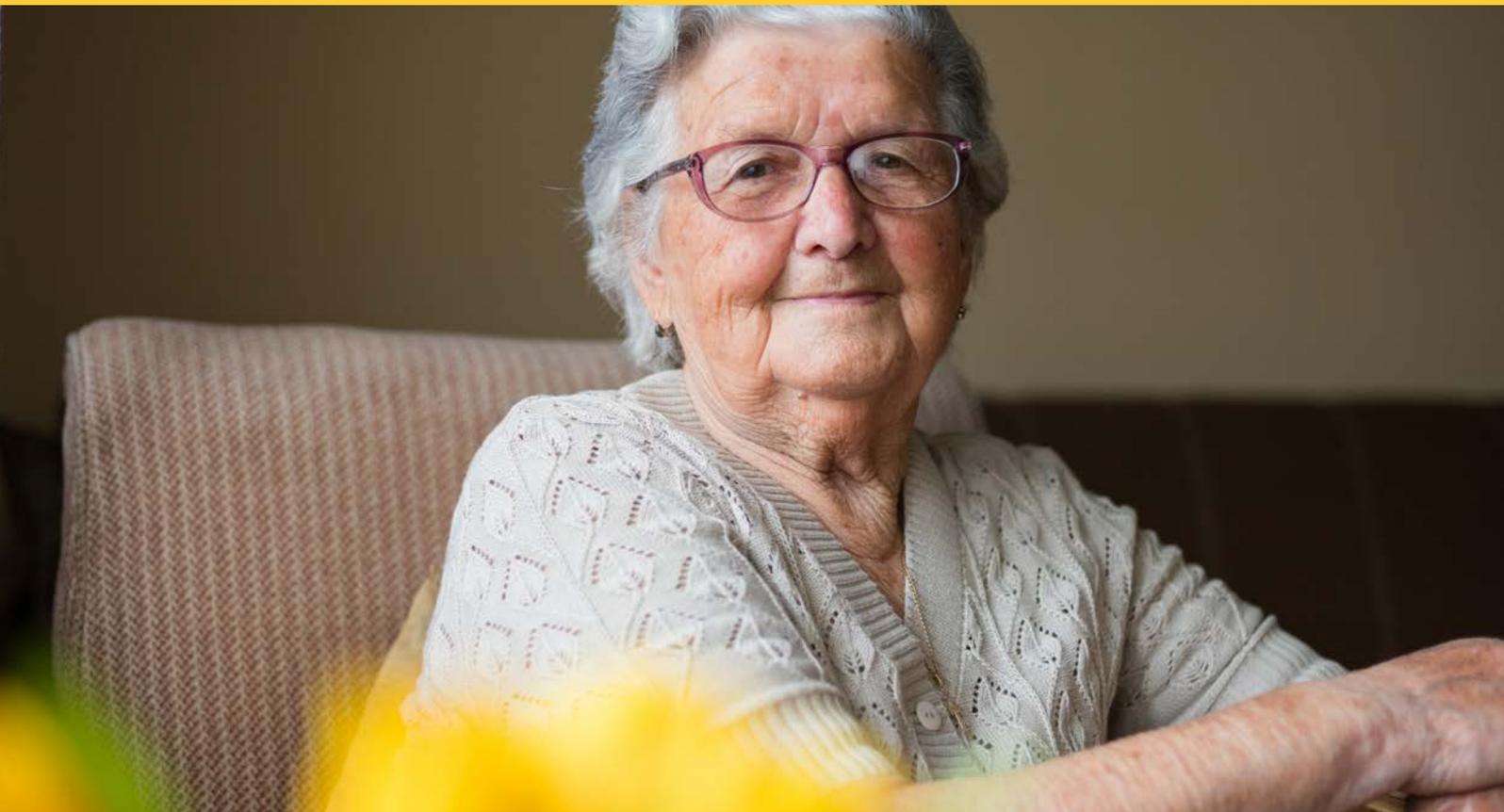
Bield's investment portfolio, managed by Baillie Gifford & Co, is classed as a Current Asset rather than a Fixed Asset in the Statement of Financial Position. Although the investment portfolio is primarily held for the long term, it is anticipated that Bield may look to realise some of these investments in order to invest in both the current and new housing stock. Like any investment, Bield's portfolio is subject to turbulence in the global financial markets. The portfolio has seen significant improvement during the year and performed well in the pandemic market. The valuation of the portfolio at the end of March has increased by £2.018m from the prior year. Bield's Board monitors the performance of the investment portfolio with an emphasis on the longer-term performance trend over a three to five-year period.

DONATIONS TO CHARITABLE ORGANISATIONS

No charitable donations were made in the current year (2020: £nil).

CAPITAL STRUCTURE AND TREASURY MANAGEMENT

Total reserves at the end of the year were £67.9m (2020: £69.2m) of which £67.8m (2020: £69.1m) related to the general Revenue Reserve. Long term borrowings at the period end have fallen to £1.7m (2020: £2.0m) in line with the repayment schedules. The gearing ratio of 2.5% (loans as a percentage of reserves) remains relatively low compared with other RSLs and well within Bield's ceiling of 30%. Bield has substantial unutilised security on its Statement of Financial Position. No new borrowing facilities were entered into in 2020-21 (2020: £1m). Cash balances increased during 2020-21 due to operational efficiencies, reduced spend on asset management as a result of Covid-19 restrictions and the receipt of Housing Association Grant during the year.



The cash balance of £14.4m (2020: £9.4m) at the end of the financial year complies with the minimum (1 month's turnover) specified in the Treasury Management Policy.

Bield's Treasury Management Policy is due for review following a model policy developed by SFHA. It seeks to ensure that sufficient liquidity is available to meet foreseeable needs, surplus cash is invested prudently, and financial risk is minimised. Treasury management activity is the responsibility of the Director of Finance & Resources, operating under the policy direction of the Board. In the current economic conditions, close scrutiny is rightly placed on this area of work.

The policy of Bield in the investing of surplus funds is to achieve a satisfactory return while minimising risk. In relation to borrowing, the policy is to ensure the stability of Bield's long-term financial position by borrowing on the most economically advantageous terms with a preference for fixed rate once the money raised has been committed to long term projects.

At year end Bield had borrowings at fixed rates of interest only. Details of the loan rates are provided in note 18 and are within the parameters set by the Board.

PAYMENT OF CREDITORS

Bield's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines.

CASH FLOW

The net cash increase in 2020-21 was £5m over the previous year. Bield ended the year with a positive reconciled cash balance of £14.4m (2020: £9.4m) which is more favourable than was budgeted as a result of the impact of Covid-19, timing of the reconfiguration of services and capital expenditure payments taking place.

FIXED ASSETS

The cost of Bield's housing properties after depreciation is £116m (2020: £118m). These have been funded principally through a combination of Housing Association Grant and other grants, private finance, and internal resources. The market value of Bield's housing properties is substantially higher than the net book value and is sufficient to meet all asset value related loan covenants.

RESERVES

Bield holds two principal reserves: a restricted reserve and a revenue reserve.

The restricted reserve mainly represents the restricted element of the Bield Housing Trust's assets transferred during 2009-10 along with the balance of monies received from a number of valued contributors, including specifically The Scottish Government People and Communities Fund, The Bank of Scotland Foundation and the R S Macdonald Charitable Trust.

The revenue reserve represents the accumulated annual surpluses of Bield. This reserve has been primarily invested in property assets let to tenants. This reserve has increased significantly since 2010

as a result of fundamental changes in accounting standards rather than an improvement in financial performance. Whilst it is understandable that readers of the financial statements interpret the level of reserves held as capacity to spend money, the requirement to satisfy loan covenants restricts the amount of reserves that can be released. The reserve is invested in property and is not held as cash.

25% of Bield's total reserves are represented by cash or liquid investments. These sums were historically built up to fund future anticipated investment in Bield's ageing housing stock and as a buffer against unforeseen emergencies.

KEY PERFORMANCE INDICATORS

The Board recognises the importance of monitoring performance against a range of internal targets as a means of measuring continuous improvement. A number of key performance indicators are included within the

Business Strategy and are the subject of regular monitoring reports to the Board.

The following summarises some of the key performance indicators for Bield:

	2020/21	2019/20	Internal Target
Operational:			
Reactive repairs carried out and completed right first time	90.4%	93%	90% or better
Social Housing Rent loss (Voids) due to empty properties during the year	6.2%	2.73%	Under 2.25%
Social Housing Rent arrears as a % of rent due	1.57%	1.85%	Under 1.75%
Staff sickness absence	5.3%	6%	3.5% or less
Financial:			
Quick ratio	338%	313%	Over 100%
Surplus as a proportion of turnover	14.5%	7.6%	Over 3%
Interest cover	4,499%	4,640%	110%

Bield's overall performance has been significantly impacted by the Covid-19 pandemic. Our staff and SMT have been focused on delivering the best, most appropriate services to our customers during the year. We have followed all guidance and regulations to ensure that our staff and customers remain safe and secure. The Board is satisfied that, given the circumstances the performance is satisfactory.

Void performance has been most significantly impacted. We began the year with record high void levels and these numbers continued to increase due to the pandemic and the ability to re-let was restricted. There has been some improvement in the last half of the year, and we will continue to look at our processes and policies to address the backlogs. The staff sickness absence indicator has improved from the prior

year but is still above the internal target. This has been driven in part by covid related sickness, but we are also experiencing higher absences due to serious illness and psychological conditions. We continue to provide training and resources to address these issues. The Board continues to monitor other indicators on a KPI dashboard including rent arrears and bad debts.

GOING CONCERN

Bield's business activities, together with the factors likely to affect its future development, performance and position are set out within this Operating and Financial Review. The Operating and Financial Review also includes a review of the financial position of Bield, its cash flows, liquidity position and borrowing facilities.

Bield's financial projections demonstrate that Bield has the ability to meet its commitments in the short, medium, and long-term. Therefore, the Board believes that Bield is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Board will monitor the risk environment and consider all options to ensure that the 2018-23 Business Strategy is successfully delivered.

The impact of Covid19 on the business operations is being closely monitored to ensure that the risks are well managed and will not have a negative impact on the going concern assessment. The Board is updated on the impact of the pandemic on the current business operations and any potential long-term impacts. Bield has sufficient cash resources with cash balances of £14.4m as well as investments of £7.3m that are available if required. There has been no impact on compliance requirements which are being met within the Covid19 regulations.

The Board has a reasonable expectation that Bield has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements.

BY ORDER OF THE BOARD OF MANAGEMENT

Lesley Holdsworth
Chair of the Board of Management
29th July 2021

INTERNAL CONTROL

The Board is responsible for Bield's system of internal control and its effectiveness and therefore demands a strong control environment. However, the system is designed to manage rather than eliminate risk and therefore can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board, through the Audit & Risk Committee, has reviewed the effectiveness of Bield's internal financial controls and risk management for the year ended 31 March 2021. No significant weakness in the internal controls has occurred resulting in material losses, contingencies or uncertainties which require disclosure in the financial statements. The Board's full Statement on Internal Financial Controls is set out on page 19.

AWARENESS OF AUDIT INFORMATION

The Board members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. Each of the Board Members has confirmed that they have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

AUDITORS

In line with guidance issued by the Scottish Housing Regulator on the appointment of external auditors, the Board undertook a procurement process for the provision of external audit services and at their meeting on 4th July 2019 appointed RSM to undertake the external audits from financial year 2019/20 for a period of 7 years.

STATEMENT OF THE BOARD'S RESPONSIBILITIES

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Bield and of the surplus or deficit for that period. In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.

- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that Bield will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of Bield and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, The Housing (Scotland) Act 2010 and the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019. It has general responsibility for taking reasonable steps to safeguard the assets of Bield and to prevent and detect fraud and other irregularities.



BOARD STATEMENT ON INTERNAL FINANCIAL CONTROLS

- The Board acknowledges its ultimate responsibility for ensuring that Bield has in place a system of controls that is appropriate to the various business environments in which it operates.
- The systems of internal financial control, which are under regular review, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute assurance, against material misstatement or loss.
- The key procedures which have been established and which are designed to provide effective internal financial control include:
 - Comprehensive budgeting systems with an annual budget approved by the Board.
 - Regular consideration by the Board of actual results compared with budgets, together with a forecast for the year. Significant variances from budgets are investigated, explained as appropriate and action taken as agreed.
 - An internal audit programme which is designed to cover the main business activities of Bield. The scope and content of this programme are reviewed by the Audit & Risk Committee. The independent professional internal auditor, who works closely with the external auditor, has direct access to the Audit & Risk Committee which receives the reports and agrees appropriate action plans.
 - Written scheme of delegation including details of delegated authority.
- An assessment of the risk areas faced by Bield, with details of the control mechanisms in place to counteract that risk. The Audit & Risk Committee reports annually to the Board on the effectiveness of the Risk Management procedures.
- The Audit & Risk Committee assists the Board in meeting its responsibility for ensuring that Bield's financial systems provide accurate and up to date information on its financial position and that the Annual Accounts represent a true and fair reflection of this position. The Committee also assists the Board by review of the accounting policies and internal financial controls. The internal and external auditors attend meetings of the Audit & Risk Committee at least once a year. The internal auditor has direct access to the Chair of the Audit & Risk Committee.
- The Board has reviewed the effectiveness of the system of internal financial controls. No weaknesses have been found which resulted in material losses, contingencies or uncertainties which require disclosure in the Financial Statements. Where weaknesses in internal financial controls are identified, appropriate remedial action is taken.
- These arrangements are considered appropriate to the scale and range of Bield's activities and comply with the requirements contained in the Scottish Housing Regulator's Guidance.

BY ORDER OF THE BOARD OF MANAGEMENT

Lesley Holdsworth
Chair of the Board of Management
29th July 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BIELD HOUSING & CARE

OPINION

We have audited the financial statements of Bield Housing and Care (the 'Association') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cashflows and notes to the financial statements, including 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 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the 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 about 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 Board with respect of going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 18, 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BIELD HOUSING & CARE

THE EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the Association operates in and how the Association is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BIELD HOUSING & CARE

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Housing (Scotland) Act 2010, the Statement of Recommended Practice for Registered Social Landlords 2018 and the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are the Housing (Scotland) Acts 2006 and 2014, the Co-operative and Community Benefit Societies Act 2014, the Scottish Housing Regulator's Regulatory Framework (published 2019), the Data Protection Act 2018, the Disclosure (Scotland) Act 2020, and the Public Services Reform (Scotland) Act 2010. We performed audit procedures to inquire of management and those charged with governance

to confirm whether the company is in compliance with these laws and regulations, inspected correspondence with the Regulators and confirmed that relevant mandatory submissions had been made, and confirmed no improvement or prohibition notices had been raised as per a review of the Information Commissioner's Office website.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

USE OF OUR REPORT

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report

and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

UK Audit LLP

Statutory Auditor
Chartered Accountants
First Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Date 6 August 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BIELD HOUSING & CARE ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on page 15 concerning Bield Housing & Care's compliance with the information required by the Regulatory Standards for systemically important RSLs in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

BASIS OF OPINION

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council through enquiry of certain members of the Board and Officers of Bield Housing & Care and examination of relevant documents. The Bulletin does not require us to review the effectiveness of Bield Housing & Care's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

OPINION

In our opinion the Statement on Internal Financial Control on page 19 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.

RSM UK AUDIT LLP

Statutory Auditor
Chartered Accountants
First Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

		2021	2020
	Notes	Total £'000	Total £'000
Turnover	2	41,270	42,850
Operating expenditure	2	(37,303)	(38,126)
Gain/ (Loss) on disposal of fixed assets	9	84	(1,102)
Operating surplus		4,051	3,622
Investment income and interest receivable	6	105	122
Interest and financing costs	7	(149)	(399)
Movement in fair value of current asset investments	14	2,018	(148)
Surplus for the financial year		6,025	3,197
Actuarial (losses)/ gains in respect of pension schemes	24	(7,351)	8,227
Total comprehensive (expenditure)/ income for the year		(1,326)	11,424

The accompanying notes on pages 29 to 42 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Intangible assets	11.A	62	101
Housing properties	11.B	116,473	117,726
Other fixed assets	11.C	6,420	6,098
		122,955	123,925
CURRENT ASSETS			
Properties held for sale	12	761	4,623
Trade and other debtors	13	1,574	1,147
Current asset investments	14	7,262	5,244
Cash and cash equivalents		14,422	9,435
		24,019	20,449
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	15	(6,873)	(7,307)
NET CURRENT ASSETS			
		17,146	13,142
TOTAL ASSETS LESS CURRENT LIABILITIES			
		140,101	137,067
Creditors: amounts falling due after more than one year	16	(60,644)	(62,122)
Provision for pension liability	19	(59)	(70)
Pension - defined benefit liability	24	(11,538)	(5,689)
TOTAL NET ASSETS			
		67,860	69,186
RESERVES			
Revenue reserve		67,805	69,131
Restricted reserve		55	55
TOTAL RESERVES			
		67,860	69,186

The financial statements were approved by the Board and authorised for issue on 29th July 2021 and are signed on its behalf by:

LESLEY HOLDSWORTH ROBERT FERNIE
Members of the Board of Management

CLARE BEESLEY

Company Secretary

The accompanying notes on pages 29 to 42 form part of these financial statements

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2021

	Restricted Reserve £'000	Revenue Reserve £'000	Total Reserves £'000
Balance at 1 April 2019	100	57,662	57,762
Surplus for year	-	3,197	3,197
Actuarial gains in respect of pension schemes	-	8,227	8,227
Transfer from/(to) Revenue Reserve	(45)	45	-
Balance at 31 March 2020	55	69,131	69,186

	Restricted Reserve £'000	Revenue Reserve £'000	Total Reserves £'000
Balance at 1 April 2020	55	69,131	69,186
Surplus for year	-	6,025	6,025
Actuarial (loss) in respect of pension schemes	-	(7,351)	(7,351)
Transfer (to)/ from Revenue Reserve	-	-	-
Balance at 31 March 2021	55	67,805	67,860

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £'000	2020 £'000
Net cash generated from operating activities	21	5,395	8,896
Cash Flow from Investing Activities:			
Purchase of tangible and intangible fixed assets		(2,633)	(4,426)
Purchase of current asset investments		(375)	-
Net proceeds from sale of tangible fixed assets		630	99
Proceeds from sale of current asset investments		375	-
Interest received		105	122
Net Cash (used) in Investing Activities		(1,898)	(4,205)
Cash Flow from Financing Activities:			
Interest paid		(32)	(69)
Repayments of borrowings		(342)	(1,201)
Receipt of Housing Grant		1,864	-
Drawdown of New Loans		-	1,000
Net Cash generated/ (used) in Financing Activities		1,490	(270)
Net Increase in Cash and Cash Equivalents		4,987	4,421
Cash and Cash Equivalents at Beginning of Year		9,435	5,014
Cash and Cash Equivalents at End of Year		14,422	9,435

The cash and cash equivalents are made up of bank accounts held at the year end.

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2021 £'000	2020 £'000
Increase in cash	4,987	4,421
New borrowings	-	(1,000)
Repayments of borrowings	342	1,201
Net cash inflow from operating activities	5,329	4,622
Net cash/ (debt) at 1 April	7,413	2,791
Net cash/ (debt) at 31 March	12,742	7,413
Cash at bank	14,422	9,435
Loan finance	(1,680)	(2,022)
Net cash/ (debt) at 31 March	12,742	7,413

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Bield is registered in Scotland under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Scottish Housing Regulator (Registration No. HEP 71) under the Housing (Scotland) Act 2010. Bield has charitable status with HM Revenue & Customs (Charity Number SC006878) and is eligible for exemptions from corporation tax on charitable activities.

The address of Bield's registered office and principal place of business is provided on page 3 of these financial statements.

Bield is a Public Benefit Entity in accordance with the definition set out in FRS 102. The principal activity of Bield is providing a diverse range of housing, care and other services to older people. The nature of these operations is explained more fully in the Overview of Business in the Operating and Financial Review (pages 4 – 17).

ACCOUNTING BASIS

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and they comply with the Determination of Accounting Requirements 2019, and under the historical cost convention, modified to include

certain financial instruments at fair value. The financial statements are prepared in sterling (£) and rounded to the nearest £'000 unless where otherwise stated.

After making enquiries, the Board has reasonable expectation that Bield has adequate resources to continue operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Preparation of the financial statements requires management to make critical judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are the economic useful life estimates of the components of housing properties.

Management reviews its estimate of the useful lives of depreciable components at each reporting date based on industry standards and actual usage experienced. For impairment purposes of housing stock, a cash generating unit is deemed to be an individual housing development.

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 21). The net defined benefit pension liability at 31 March 2021 was £11,538k, (2020: £5,689k.)

A key estimate is in relation to recoverability of rent arrears. Management considers the likelihood of recovery on a regular basis and has robust processes in place to pursue outstanding amounts. Provision is made for former tenant arrears and where the arrears are over one year old.

Gain/losses on sale of fixed assets are treated as part of operating activities and are therefore included in reaching operating surplus.

For the purposes of determining the shared ownership operating costs for letting activities, costs are allocated on a unit basis as it is not always possible to determine the shared ownership portion of the overall social housing costs.

TURNOVER

Turnover represents rental and service charge income receivable (net of voids), fees from BR24, care and meals services, income from shared ownership first tranche sales, revenue grants and donations. Income is recognised over the period where services are delivered. Tenant service charges are levied on a basis intended to cover appropriate service costs each year. Income collected where Bield is acting as an agent is not included in turnover. Funds of £222k received during the year under the Coronavirus Job Recovery Scheme are recognised as income on receipt.

TERMINATION BENEFITS

Termination benefits are recognised in the financial statements when the relevant employees have been informed and an unavoidable obligation has been created. Amounts that have not been paid out at the year end date are recognised as accruals.

FIXED ASSETS – INTANGIBLE ASSETS

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life of three years, on a straight-line basis and recognised in operating costs within the Statement of Comprehensive Income.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

FIXED ASSETS – HOUSING PROPERTIES

Housing properties are properties for the provision of social housing or to otherwise provide social benefit and are principally properties available for rent and shared ownership. Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment losses.

Works to existing properties will generally be capitalised under the following circumstances:

- (i) Where a component of the housing property that has been treated separately for depreciation purposes and depreciated over its useful economic life is replaced or restored; or
- (ii) Where the subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed assets in excess of the previously assessed standard of performance. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property.

Works to existing properties which fail to meet the above criteria are charged to the Statement of Comprehensive Income.

The major components are deemed to be Land, Structure, Kitchen, Bathroom, Windows & Doors, Heating, Lift, Fire Alarm, Warden Call and Communal Lighting. Each component has a substantially different economic life and is depreciated over this individual life. Depreciation rates are shown below.

SALE OF HOUSING PROPERTIES

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale.

HOUSING ASSOCIATION GRANT

Housing Association Grant (HAG) is payable by the Scottish Government, City of Edinburgh Council and Glasgow City Council. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received. Where costs are not funded by HAG, the residual finance is sought from other sources or is funded internally.

HAG received for housing properties is recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) on a pro-rata basis under the accruals model.

On disposal of an asset for which HAG was received, if there is no obligation to repay the grant, then any unamortised grant remaining is derecognised as a liability and recognised as income. Where there is a requirement to repay a grant the liability is included in the Statement of Financial Position.

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

DEPRECIATION

(i) Intangible assets:

Amortisation is charged on a straight-line basis over its estimated useful life as follows:

ICT Software	3 years
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(ii) Housing properties:

Depreciation is charged on a straight-line basis over the expected economic useful lives of each major component that makes up the housing property as follows:

Structure	50 years
Kitchen	18 - 20 years
Shower & Bathroom	15 - 30 years
Windows & Doors	25 years
Heating	10 - 20 years
Lift	25 years
Fire Alarm	15 years
Warden Call	10 years
Communal Lighting	15 years

Land is not depreciated

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, Bield estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in operating costs in the Statement of Comprehensive Income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised as income. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

(iii) Other fixed assets:

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is charged on a straight-line basis as follows:

Office Premises	50 years
Office Fixtures & Fittings	10 years
Furniture & ICT Equipment	3 years
Motor Vehicles	5 years
Community Alarm Units	5 years

The office premises are held under a cost model with no revaluation. Expenditure less than £1,000 is not capitalised. Any costs related to the employment of staff specifically to manage ICT capital projects are capitalised.

STOCK

Stock of housing properties is stated at the lower of cost and net realisable value and is recognised under current assets.

SHARED OWNERSHIP

Shared ownership properties are split proportionally between fixed assets and current assets based on the element relating to expected first tranche sales. Proceeds from first tranche disposals of shared ownership properties are accounted for in the Statement of Comprehensive Income of the period in which the disposal occurs and are recognised as Turnover. The cost of disposal of first tranche disposals is included within Operating Costs. The cost of sales is calculated on a square footage basis of each property. The first tranche element of any unsold properties is shown as a current asset within stock.

RESTRICTED RESERVES

A restricted reserve is held where funds are subject to conditions specified by a third party. Bield holds one restricted reserve in relation to donations received and where the use of those funds is limited to a specific purpose. Further restricted reserves will be created as required. Further explanation of the reserves held is given on page 16.

RETIREMENT BENEFITS

Bield participates in two industry wide, multi-employer defined benefit pension schemes, the Social Housing Pension Scheme (SHPS) and the Growth Plan, and a defined contribution scheme. For the defined contribution scheme the amount charged to income and expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

For the SHPS scheme the scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high-quality corporate bond rates.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as a remeasurement of net defined benefit liability.

The cost of the defined benefit plan, recognised in the Statement of Comprehensive Income (SoCI) as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in pension benefit liability arising from employee service during the period; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the SoCI as 'Interest and financing costs'.

For the Growth Plan, current service contributions are recognised in income and expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting. A liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the RSL will fund a deficit. This is included within provisions for pensions liability in the financial statements.

FINANCIAL INSTRUMENTS

Bield has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when Bield becomes a party to the contractual provisions of the instrument, and are offset only when Bield currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

FINANCIAL ASSETS

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income and expenditure as the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Comprehensive Income.

FINANCIAL LIABILITIES

TRADE CREDITORS

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

BORROWINGS

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges. Borrowings with no rate of interest are regarded as concessionary loans and are measured at the amount payable or receivable.

DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

VALUE ADDED TAX

Bield is VAT registered, however a large proportion of income, namely rents, is exempt for VAT purposes therefore giving rise to a Partial Exemption calculation. Consequently little VAT paid is recoverable and expenditure is therefore shown inclusive of VAT. Any VAT recovered is offset against operating costs.

INVESTMENTS

Investment income is recognised when due and receivable. Investments are stated at fair value which is the quoted bid price of trade investments quoted on a recognised stock exchange. All gains or losses on valuation are reflected through the Statement of Comprehensive Income.

OPERATING LEASE RENTALS

Operating lease rentals are charged on a straight-line basis over the term of the lease.

DEPOSITS AND LIQUID RESOURCES

Cash comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying value.

PROVISIONS

Provisions are recognised when Bield has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

GOING CONCERN POLICY

Bield has sufficient cash resources with cash balances of £14.4m as well as investments of £7.3m that are available if required. There has been no impact on compliance with loan covenants and all compliance requirements are being met within the COVID-19 regulations. As part of our normal business processes and in response to the COVID-19 crisis, additional in-year re-forecasts have been produced and our annual 30-year forecasts have been amended to consider the impact of the crisis.

24. RETIREMENT BENEFITS – SHPS SCHEME

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2017. This valuation revealed a deficit

of £1,522m. A Recovery Plan has been put in place with the aim of removing this deficit by 30 September 2026.

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

Under the defined benefit pension accounting approach, the SHPS net deficit was £5,689k as at 31 March 2020 and at 31 March 2021 is now £11,538k.

FAIR VALUE OF PLAN ASSETS, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION, AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2021 (£000s)	31 March 2020 (£000s)
Fair value of plan assets	51,839	48,039
Present value of defined benefit obligation	63,377	53,728
Surplus (deficit) in plan	(11,538)	(5,689)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(11,538)	(5,689)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	31 March 2021 (£000s)	31 March 2020 (£000s)
Defined benefit obligation at start of period	53,728	61,507
Current service cost	143	261
Expenses	54	54
Interest expense	1,262	1,388
Member contributions	187	225
Actuarial losses (gains) due to scheme experience	(1,789)	54
Actuarial losses (gains) due to changes in demographic assumptions	244	(562)
Actuarial (gains) losses due to changes in financial assumptions	11,725	(6,574)
Benefits paid and expenses	(2,177)	(2,625)
Defined benefit obligation at end of period	63,377	53,728

24. RETIREMENT BENEFITS – SHPS SCHEME (CONTINUED)**RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS**

	31 March 2021 (£000s)	31 March 2020 (£000s)
Fair value of plan assets at start of period	48,039	46,455
Interest income	1,145	1,059
Experience on plan assets (excluding amounts included in interest income)- gain (loss)	2,829	1,145
Employer contributions	1,816	1,780
Member contributions	187	225
Benefits paid and expenses	(2,177)	(2,625)
Fair value of plan assets at end of period	51,839	48,039

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £3,974,000.

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCl)

	31 March 2021 (£000s)	31 March 2020 (£000s)
Current service cost	143	261
Expenses	54	54
Net interest expense	117	329
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	314	644

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

	31 March 2021 (£000s)	31 March 2020 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain	2,829	1,145
Experience gains and losses arising on the plan liabilities – (loss) gain	1,789	(54)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(244)	562
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(11,725)	6,574
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(7,351)	8,227
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total amount recognised in Other Comprehensive Income - gain (loss)	(7,351)	8,227

24. RETIREMENT BENEFITS – SHPS SCHEME

ASSETS

	31 March 2021 (£000s)	31 March 2020 (£000s)
Global Equity	8,262	7,026
Absolute Return	2,861	2,505
Distressed Opportunities	1,497	925
Credit Relative Value	1,631	1,318
Alternative Risk Premia	1,952	3,359
Fund of Hedge Funds	6	28
Emerging Markets Debt	2,093	1,455
Risk Sharing	1,887	1,622
Insurance-Linked Securities	1,245	1,475
Property	1,077	1,058
Infrastructure	3,456	3,575
Private Debt	1,236	968
Opportunistic Illiquid Credit	1,318	1,163
High yield	1,552	-
Opportunistic Credit	1,421	-
Cash	1	-
Corporate Bond Fund	3,063	2,739
Liquid Credit	619	20
Long Lease Property	1,016	831
Secured Income	2,156	1,823
Over 15 Year Gilts	-	-
Index Linked All Stock Gilts	-	-
Liability Driven Investment	13,175	15,943
Net Current Assets	315	206
Total assets	51,839	48,039

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

KEY ASSUMPTIONS

	31 March 2021 % per annum	31 March 2020 % per annum
Discount Rate	2.15%	2.39%
Inflation (RPI)	3.29%	2.65%
Inflation (CPI)	2.86%	1.65%
Salary Growth	3.86%	2.65%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

25. RETIREMENT BENEFITS – GROWTH PLAN

SCHEME: TPT Retirement Solutions – The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

DEFICIT CONTRIBUTIONS

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

DEFICIT CONTRIBUTIONS

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum	(payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum	(payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

25. RETIREMENT BENEFITS – GROWTH PLAN (CONTINUED)**PRESENT VALUES OF PROVISION****RECONCILIATION OF OPENING AND CLOSING PROVISIONS**

	Period Ending 31 March 2021 (£s)	Period Ending 31 March 2020 (£s)
Provision at start of period	70,183	85,138
Unwinding of the discount factor (interest expense)	1,577	1,077
Deficit contribution paid	(14,553)	(14,129)
Remeasurements - impact of any change in assumptions	2,026	(1,903)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	59,233	70,183

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2021 (£s)	Period Ending 31 March 2020 (£s)
Interest expense	1,577	1,077
Remeasurements – impact of any change in assumptions	2,026	(1,903)
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

ASSUMPTIONS

	31 March 2021 % per annum	31 March 2020 % per annum	31 March 2019 % per annum
Rate of discount	0.66	2.53	1.39

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

26. CONTINGENT LIABILITIES

At 31 March 2021, the Board was not aware of any contingent liabilities (2020: £nil) with the exception of those referred to in the pension notes 24 and 25 and none has emerged since.

The Association has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Social Housing Pension

Scheme based on the financial position of the Scheme as at 30 September 2019. As of this date the estimated employer debt for The Association was £49,633,914. It has also been notified of the estimated employer debt on withdrawal from the Growth Plan as at 30 September 2019 was £162,934 based on the financial position of the Plan.

27. RELATED PARTY TRANSACTIONS

(i) During the year one current member of the Board, held a tenancy with Bield. An additional, one Board member was a Sharing Owner with Bield. All tenancies are Scottish secure tenancies and were granted under Bield's allocations policy, with rent under normal terms. All transactions with Sharing Owners are conducted in accordance with signed legal agreements and comply with the necessary rules and regulations governing the transactions. During the year £10,800 (2020: £6,459) of rent and service charge was

receivable from these members. At the year end there was £290 (2020: £nil) outstanding balance due from these members. No guarantees have been given or received. No expense has been recognised in the year (2020: £nil) in respect of bad debts from related parties.

(ii) Bield holds £1,141,699 (2020: £1,141,236) in trust for developments relating to owner occupiers.



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