Annual Report
Year ended 31 March 2021

Scottish Charity number SC006035

Registered Society number 1767R(S)

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Board of Management	Graham Waddell	(Chair)
	Ben Dale	(Resigned 12 May 2021)
	Alison Freshwater	
	Janet Hamblin	
	Julie Jackson	(Resigned 21 September 2020)
	Andrew Winstanley	
	Pamela Scott	
	Alan Devine	(Appointed 6 November 2020)
	Tavish Scott	(Appointed 6 November 2020)
	Moira Sibbald	(Appointed 1 February 2021)
Executives	Richard Jennings	Managing Director (Resigned 12 October 2020)
	Thomas Norris	(Appointed 12 October 2020)
	Chris Martin	Company Secretary

Registered Office	1 Hay Avenue Craigmillar Edinburgh EH16 4RW	**Solicitor**	T C Young Melrose House 69a George Street Edinburgh EH2 2JG
Registered Auditor	KPMG LLP 15 Canada Square London E14 5GL	**Banker**	Barclays Bank 38 Fishergate Preston PR1 2AD

Registration of the Association

Castle Rock Edinvar Housing Association is a Registered Social Landlord (HEP106) and is registered under the Cooperative and Community Benefit Societies Act 2014 (Registered Number 1767R(S)). It also has charitable status (Scottish Charity No. SC006035).

Castle Rock Edinvar is a member of the Places for People Group. The Places for People Group is registered under the Housing and Regeneration Act 2008 (number L4236) and under the Companies Act (number 3777037).

The Board is pleased to present its report and Financial Statements for the year ended 31 March 2021.

Places for People Group

Places for People Group ("the Group") is a placemaker like no other. We believe that places work when they work for everyone. Our Group of companies has the expertise and capability to create and manage entire places - from development and construction to multi-tenure management, right across the UK.

At the core of our broad placemaking offer is a long-term commitment to the sustainability of places. We provide homes and services at every stage of people's lives, from student accommodation and homes for first time buyers right through to retirement villages. We aim to provide options for as many people as possible including different age groups, financial circumstances and life stages.

Vision, mission and values

Places for People Group's vision is *"Creating places that work for everyone".* We review this vision each year . It reflects our core belief that places work when they work for everyone. We want all the places we create and manage to be places that work, now and in the future.

The Group wide mission statement is *"More homes. Sustainable places. Valued services."* This vision and mission encapsulates the Group's long-term commitments to its creating and managing places that work for everyone. The mission statement for the Affordable Housing businesses is *"To create and maintain sustainable neighbourhoods delivering services efficiently and effectively to maximise the surplus per property".*

Principal activities of Castle Rock Edinvar

Castle Rock Edinvar is a Scottish Registered Social Landlord (RSL) and Scottish Charity with its registered office in Edinburgh. It is a leading Scottish RSL both in scale and significance and considered by the Scottish Housing Regulator as being of systemic importance. Castle Rock Edinvar is one of six Registered Social Landlords in the Places for People Group.

The aim of Castle Rock Edinvar and its subsidiary, Places for People Scotland, is to be a successful Scottish place management business harnessing the combined strengths of the Group and the local Scottish companies.

Together Castle Rock Edinvar and Places for People Scotland at 31 March 2021 owned and managed 8,661 (2020: 8442) rented and shared ownership homes across Scotland and had a combined turnover of £70.6 million (2020: £71.9 million). Castle Rock Edinvar owned or managed 7,560 properties at 31 March 2021 (2020: 7,349). The turnover of Castle Rock Edinvar was £43.7 million (2020: £39.0 million) during the year. Castle Rock Edinvar is also a significant employer with 196 FTE staff (2020: 199).

Castle Rock Edinvar's vision aligns with the Group and is to "create places that work for everyone". The mission is: "to be Scotland's leading Placemaking partner." Castle Rock Edinvar's priority is to grow and expand the offer in Scotland to reflect the capability and capacity of the Places for People Group. This will include building more homes, extending in to new geographies, seeking further opportunities for Placemaking and using our reputation and influence to create opportunities for the Group.

Our mission is underpinned by five strategic pillars that drive our actions and results:

- ***Placemaking*** – creating places that work for everyone
- ***Innovating*** – creatively finding the right solutions
- ***Partnering*** – working together for shared success
- ***Investing*** – sustaining places and people
- ***Wellbeing*** – enabling people to live their lives equitably

Principal markets and associated risks

Castle Rock Edinvar is one of the largest housing associations in Scotland and currently operates across nine local authority areas. It owns or manages 7,560 homes and last year built 279 new homes for Social Rent, Mid Market Rent, Shared Equity and Outright Sale. It has a future pipeline of 1,196 homes over the next 3 years.

Castle Rock Edinvar allocates homes to people based on need with rents set to be 'affordable' to those on low incomes and new homes continue to be subsidised by capital grant. Customers are getting older and the majority are not in employment and so dependent on state benefits. Castle Rock Edinvar has a strong balance sheet and operating profits. The strength and reputation of Castle Rock Edinvar is used to lever additional opportunities for the Group in Scotland. The non charitable and commercial operations within Scotland, including developing for outright sale and shared equity and market and mid-market rent are carried out within the trading subsidiary, Places for People Scotland.

Principal markets and associated risks (continued)

The Board has identified the following current and future potential strategic risks:

Identified Risk	*Controls and mitigation*
Data Management and Governance	Group Data Management and Governance Structure established, which consists of the Insights and Information Committee, the Data Work Stream and the Information Work streams accompanied with access to In-house expertise.
Organisational Resilience	As New Ways of Working progresses (which encompasses the Target Operating Model) the board will be kept appraised of changes that are being made to ensure appropriate oversight and that regulatory and governance requirements are fully met.
Uncertainty about the future grant funding regime	Alternative models of funding to be explored, including a Social Rent version of the MMR Fund.
Impact of Increasing Arrears	Rent affordability assessment carried out annually. Financial Inclusion and Income Collection Teams in place and trained on how to deal with Universal Credit as well as financial risk assessments carried out with all new tenants. Arrears KPIs continually monitored. CRE is also a trusted partner of the DWP.
Development	Sales appraisals undertaken for Board approvals. Weekly updates on sales performance. Market monitoring within Places Developments. Initial appraisals and approvals include all scenarios.
Regulatory	Regular engagement with the Scottish Housing Regulator and the Systemic Regulatory Forum to manage expectations and maintain strong working relationship.
Significant Performance Failure	Performance monitoring reported quarterly to the Board.Complaints policy in place with ongoing complaints monitored in real time. Regular training provided to staff.
New Business and Joint Venture Activity	Robust Business Planning processes in place accompanied by Project Boards, Project Management & Budgeting to manage the performance and success of new ventures. A business case and approval procedure is also in place.
Business Continuity	Business Continuity Plan and Emergency Procedures reviewed six monthly and annual assurance signed by the Managing Director. The Risk and Resilience Group meet quarterly with full SMT membership, chaired by Managing Director. H&S Business Assurance audit carried out as part of regulation plan as well as the Group H&S Team conducting audits of business systems and processes to

Risk management is at the heart of the approach to planning and running the business. The Board and Senior Management have developed, and regularly review, a Risk Map in accordance with Group procedures. It identifies, quantifies and prioritises risks to ensure that each risk is appropriately owned and manged and ensures that effective controls and mitigation strategies are in place to reduce risks to a level that accords with the Board's appetite for risk.

Delivering successful outcomes in 2020/21

As one of Scotland's leading housing associations we recognise the importance of growth, investment and efficiency to improve both the organisation, outcomes for customers and support the wider housing and place-making sector. In 2020/21, in collaboration with others, Castle Rock Edinvar's achievements included:

- We have invested £4.6m in our existing properties to ensure that they are suitable homes for our tenants. Energy efficiency initiatives are paramount in directing the areas of expenditure. During the year we have let 512 homes. Our housing teams have engaged with 375 tenants assessed as high risk, including homeless referrals, in order to help them sustain their tenancies. Our award winning Financial Inclusion Team (FIT) received 1039 referrals, helping customers sustain their tenancies, accessing additional benefits and grants totalling £2.1m. We continue to support customers through the Tenancy Sustainment Fund and have spent over £17,000 to assist with costs associated with the start of tenancies or those whose tenancies are at risk. We have provided 148 tenants with approved adaptations to their properties to allow them to remain in their homes and improve their use of their homes.
- Development outcomes - We developed and took handover of 103 new affordable properties across 6 sites in Scotland, and, in addition, 136 midmarket properties over 9 sites. We also have an additional 170 Social Rent and 122 mid-market properties scheduled for handover in 2020/21 across 12 separate developments.
- Throughout the year the business has continued to meet its KPI's with strong performance throughout the year. Overall customer satisfaction of new tenants was 94% (2020: 98%) which led to tenancies sustained for longer than 1 year increasing to 91% (2020: 93%). Void loss did increase to 1.96% (2020: 0.71%) due to the impact of the Covid pandemic on property lettings but tenant turnover was low at 3.8% (2020: 5.1%). The repairs service also maintained strong performance with 100% of appointments made and kept (2020: 100%). Furthermore non emergency repairs complete right first time remained high at 96% (2020: 96%).

Castle Rock Edinvar continues to develop and implement our strategy to be positioned as a leading housing association in Scotland.

Income and expenditure for the year

Castle Rock Edinvar's turnover for the year ended 31 March 2021 was £43.7m (2020: £39.0m) (Note 2).

The total revenue and capitalised expenditure, including property services overheads, on repairs and improvements during the year amounted to £12.6m (2020: £15.1m). This represents expenditure on maintaining and improving our assets as part of the planned asset management programme.

The interest payable for the year ended 31 March 2021 was £1.2m (2020: £1.4m) in the current year. This represented an average interest rate of 3.75% (2020: 3.75%) per annum.

During the year to 31 March 2021 Castle Rock Edinvar sold 5 properties generating a surplus of £126k (2020: 1 property).

The surplus for the year was £22.6m (2020: £18.1m). The reserves carried forward at 31 March 2021 were £168.8m however this included a £2.1m actuarial loss on the Scottish Housing Association Pension Scheme which is explained in note 21 of the Financial Statements (2020: £0.3m gain). These are predominantly invested in housing properties. More details of other income and expenditure are included in notes 2 to 10 to these accounts.

Balance sheet at 31 March 2021

The depreciated cost of Castle Rock Edinvar's housing assets at 31 March 2021 was £540.0m (2020: £503.1m). These have been funded from Housing Association Grant (HAG) and other capital grants of £258.8m (51%), loans of £95.8m (19%) and the Association's own resources of £148.5m (30%).

Donations

A gift aid payment totalling £4.0m was received from Places for People Scotland Limited during the year ended 31 March 2021 (2020: £1.5m).

Operational performance for the year

Operational performance is monitored robustly by senior management and the Board throughout the year against a number of key performance indicators which measure business efficiency and customer satisfaction.

Operational performance for the year (continued)

The Scottish Housing Regulator requires a satisfaction survey at least every three years. A total of 360 telephone interviews were carried out between the 12th April and the 29th April 2021. All scores are lower than the previous survey carried out on 2018 which has been the experience across the sector in the last year. The results in 2021 showed an overall satisfaction for the service of 81% with 85% of customers being satisfied with the quality of their home. 86% of tenants felt their rent represented good value for money.

A challenging operating environment related to the Covid-19 Pandemic has impacted on the performance of the business across multiple areas. Over the year 512 lets have taken place (2020: 577) with the average time to prepare properties to re-let increasing from 22 days at the end of March 2020 to 47 days by March 2021. To address this the business has streamlined the lettings process of advertising, verifying new customers, and signing them up, to reduce the days between relet, we are also working with the Places for People Group Affordable Housing Lettings and Marketing teams to share best practice to monitor and improve performance. Tenancy turnover did reduce during the year to 4% in 2021 (2020: 6%) however void loss has increased from 0.71% to 1.96%.

The volume of repairs decreased from the prior year to 17,036 (2020: 20,198), this reduction is predominantly due to a number of months of lockdown related to the Covid pandemic. The emergency repairs average timescale increased to 12 hours (2020: 4 hours). Non-emergency repairs decreased to 8 days (2020: 11 days). Gas servicing achieved the 99.8% compliance to have current landlord gas safety certificates at 31 March 2021.

There has been an increase in arrears from 5.0% to 5.7% which is behind the target of 4.5%. During the year the number of evictions for rental arrears was nil (2020: 5). Our focus is promoting the people first ethos, making every attempt possible to contact those customers who's arrears are increasing. The business ensures every effort to contact the customer is in place, arrange potential personal visits by themselves or the neighbourhood team. We also have a fund to help assist those customers at risk of eviction who are genuinely trying to resolve the issue.

We continue to monitor our properties to ensure that they meet the standard for the Energy Efficiency in Scottish Social Housing (EESSH). As at 31 March 2021, of our 6,237 (2020: 6116) self-contained properties within the scope of EESSH, we have achieved the standard with 146 exemptions (2020: 446) and 85.9% (2020: 88.0%) of properties meeting the standard. We are continuously assessing our EESSH requirements to ensure we meet regulatory standards. From the 1st of January 2021, EESSH will formally supersede the energy efficiency elements set within the SHQS requirements.

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

Future developments and initiatives

Castle Rock Edinvar completed 103 affordable rented properties during the year to 31 March 2021 (2020: 264). Castle Rock Edinvar will complete a further 170 affordable rented properties by the end of March 2022. Furthermore Castle Rock Edinvar completed 134 mid-market rent units which are subsequently leased to Places for People Scotland with a further 122 units expected to be completed by the end of March 2022. Capital expenditure contracted but not provided in the accounts amounted to £44.7m (2020: £33.9m) (Note 20).

Development performance is monitored using a number of indicators covering profitability of schemes, cost control, development pipeline and the management of working capital. Castle Rock Edinvar has ownership of or is in control of land to ensure continued growth through the development of new stock, subject to the availability of grant funding and new borrowings which will form part of the Places for People Group's overall capital investment strategy.

Investments

Castle Rock Edinvar has invested £10m into a Scottish Mid-Market Rent Fund through PFP Capital. The objective of the fund, in conjunction with The Scottish Government is to stimulate delivery of new mid-market rent homes across Scotland. It is envisaged that local authority pension funds will invest alongside Castle Rock Edinvar and the Scottish Government to create a fund with an initial target of £150m of investment which when deployed, will be scaled up to become the largest single investor of affordable homes across Scotland. The investment objective of the Fund is to invest in mid-market rent developments generating an internal rate of return of 7% per annum on commitments drawn down, net of all fees, charges, expenses and taxes in the Fund.

Treasury management

Castle Rock Edinvar's internal borrowings increased during the year from £90.3m at March 2020 to £100.9m at March 2021 due to an increase in the activity within the development programme. The ratio of net loans to housing assets increased to 19.7% (2020: 19.9%) which is within the strategy target maximum of 50%.

The Board regularly reviews treasury management. The Group's policy is to retain minimal cash whilst ensuring that sufficient loan facilities are available and immediately accessible to finance a minimum of one year's cash flow. Cash projections cover a 3 year period to continuously monitor future borrowing requirements.

During the year the percentage of loans arranged at fixed interest rate was 5% (2020: 6%). The ratio of fixed and variable rates are reviewed regularly to ensure that Castle Rock Edinvar borrows at the best rates.

On the 1st May 2021, in the post year end period, Castle Rock Edinvar novated the majority of it's debt to Places for People Treasury Ltd. The new borrowing facility has a fixed interest rate of 3.3% for 3 years.

Employment

During the year ended 31 March 2021 the average number of people employed, expressed as full time equivalents, was 196 (2020: 199). At 31 March 2021 the actual number of people employed was 215 (2020: 218). Employee information is stated in Note 6 to these financial statements. The Board considers that employee involvement is essential to its continuing success and uses a variety of methods to inform, consult and involve its employees. The Our Place Rewards benefits portal continues to provide a wide range of benefits to all staff. Staff also have access to a comprehensive range of learning and development materials including the Places Academy which was launched during the year. The Places for People Group holds the Investors in People Gold accreditation. For the twelve months to 31 March 2021, absenteeism was 4.8% (2020: 3.9%). Staff turnover decreased to 5.6% (2020: 8.0%). The top priority since the pandemic has been to protect the health and safety of our employees, including their workplaces and immediate actions were taken at the start of the pandemic to safeguard and support our staff and ensure that critical business operations could continue. Where possible employees very quickly moved to working from home which proved critical in controlling the spread of COVID-19 within our workforce. Colleagues were invited to participate in a hearts and minds survey where colleagues reported that they were extremely happy with how the organisation responded to the pandemic. Return to the Workplace Guides, FAQs and Video's were put in place for colleagues and managers.

Following a wellbeing focussed staff conference we invested resources in enhancing working environment, introduced various health initiatives and introduced a wellbeing strategy.

Equality and diversity

The Board is committed to achieving equality through diversity and its policies and strategies recognise that all people have the 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. The Board also recognises its responsibility to meet these diverse needs by having a diverse workforce, which generally reflects local populations and has the skills and understanding to achieve the service objectives.

Pension funds

The Association contributed to one Defined Benefit and two Defined Contribution schemes during the year. The Scottish Housing Associations' Pension Scheme - defined benefit section ("the Scheme") is closed to new accrual. All new employees joining the Association now have the option of joining the Scottish Housing Associations' Pension Scheme - defined contribution section ("the DC Scheme"), to which the Association contributes. Auto enrolment staff will also join this DC Scheme. The Places for People Group Stakeholder defined contribution scheme ("the Group Scheme") from 1 April 2014 is only available to new entrants with sessional contracts. The Board will continue to review the Pension Strategy in 2021/22. More details of the Association's Pension Obligations are included in Note 21.

Health and safety

The Board takes very seriously its responsibilities on all matters relating to health and safety. There is a standing working group chaired by the Managing Director that meets to ensure all aspects of Health, Wellbeing and Safety are covered. Health, Wellbeing and Safety performance is audited by both Group Health and Safety staff and Internal Business Assurance. There is also a local health and safety operational working group to improve organisational culture and attitudes to working practices. We introduced a wellbeing strategy to complement our Health any Safety Plan.

The Grenfell tragedy has focused attention on the design and maintenance of our taller properties. We do not have any buildings similar to Grenfell Tower nor the material used, however we have conducted fire risk assessments on all 6 storey plus buildings and reviewed further fire safety proposals to ensure that our properties exceed fire safety regulations. We have started a number of new initiatives aimed at improving and promoting fire safety which will continue to be rolled out across our stock in future years.
During the H&S Assurance process all governing H&S Group Standards have been reviewed. Throughout 2021/22 we will be ensuring CRE remains compliant with these standards and addressing identified gaps. To further embed our H&S culture and to promote continual improvement, all staff with key H&S responsibilities will have H&S objectives set as part of the appraisal process. During 2020/21 there were 0 (2020: 1) reportable RIDDOR accidents.

The Environment and Corporate Social Responsibility

The Board recognises the need to develop its business in a sustainable manner. The business is developed to meet the needs of the present without compromising the ability of future generations to meet their own needs. We recognise that there are physical limits to the resources of the Earth (both in terms of generating materials and absorbing waste), and that any business activity 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, we also believe 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. Places for People has been accredited with ISO 14001.

The Board

Responsibility for Castle Rock Edinvar's activities rest with the Board as detailed in the Governance Handbook. The Places for People Group, including Castle Rock Edinvar, adopted a code of conduct based on the UK Corporate Governance Code.

Details of the Board members can be found listed on page 3 of these financial statements. The normal term of office is an initial three years. Extensions may be granted to Board members terms if approved by the Places for People Group Nominations and Governance Committee. The Board has a range of skills and experience which meet the UK Corporate Governance code requirements. The Board's approach to diversity, including gender, is consistent with that of the Group. Further information on this and the required disclosures are included in the consolidated financial statements which are available from the registered office address. In addition all directors have access to the Company Secretary for advice.

During the current year four appointments were made and two resignations were received. The Board has adopted guidelines for the appointment of directors which are in place and which have been observed throughout the year. Where new directors are required an external search consultancy will be used to ensure that new Board appointments made meet the needs of the business. All potential conflicts of interest including those of executive directors are recorded and minuted at each meeting and held in a register.

The Board is well equipped to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct that are vital to the success of the Association. Induction is provided for new members joining the Board and regular updates are provided to refresh their skills and knowledge. Board members have a duty to exercise reasonable care, skill and diligence; a duty to promote the success of the Association; a duty to act within their powers; a duty to exercise independent judgment; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement. The Chair conducts an annual review of the performance of the Board, its committees and its individual directors.

Appropriate levels of training are provided throughout the year. Changes to the strategic policies and regulatory requirements are presented to the Board and they are invited to attend the staff conference.

The Managing Director provided a Governance Effectiveness review and assessment of adherence to the Board's adopted code of conduct for 2020/21 for the Places for People Group Nominations and Governance Committee.

The Nominations & Governance Committee assesses the skills and experience needed on the Castle Rock Edinvar Board and if so requested by them, on the Boards of its subsidiary. It takes an overview on Board member selection and succession planning and makes recommendations to the Castle Rock Edinvar Board in relation to suitable candidates for appointment. The Committee reviews the governance structure and advises the Castle Rock Edinvar Board on key governance issues.

The Board has agreed that there should be a reporting framework which would include six formal Board meetings and at least one development meeting each year. The Board Members' attendance at Board and Committee meetings, in relation to the number of meetings held, during the year ended 31 March 2021 is set out below

Board Members		Board Meetings	Audit & Risk Committee	Nominations & Governance	AGM
Graham Waddell	Chair - CRE	8/8	4/4	1/1	1/1
Ben Dale		Leave of Absence			
Alan Devine		7/8	5/5	-	1/1
Alison Freshwater		8/8	-	1/1	1/1
Janet Hamblin	Chair - Audit & Risk Committee	7/8	5/5	-	1/1
Julie Jackson	Resigned 23/09/2020	3/4	2/3	-	1/1
Richard Jennings	Resigned 12/10/2020	4/4	-	-	1/1
Stephen Oswald		8/8	4/5	1/1	1/1
Pamela Scott	Senior Independent Director	8/8	-	1/1	1/1
Tavish Scott		7/8	-	-	1/1
Tom Norris	Appointed 12/10/20	4/4	1/2	1/1	0/1
Moira Sibbald	Appointed 1/02/21	1/1			0/1
Andrew Winstanley		7/8	-	-	1/1

Internal Control and Risk Management
The Board has delegated responsibility for reviewing internal control and assurance systems to the Audit & Risk Committee. The Committee conducts a review of the effectiveness of the Association's risk management and internal control systems through regular reports and by an annual review prior to consideration of the financial statements. The Committee reports to the Board on its level of satisfaction with the system of controls annually. The Board secures assurance as to the effectiveness of the system of internal control and risk management by those means.

The Group Business Assurance function supports the Board and Management through the provision of an objective and business-focused review service. An operational plan developed in conjunction with Management and the Audit & Risk Committee focuses upon key business risks. A plan is developed using the 'three lines of defence' model, to take account of existing quality assurance and compliance functions that provide a 'second line of defence' against control failures across the business.
The Audit & Risk Committee has reviewed the effectiveness of the system of internal control for the year ended 31 March 2021 and up to the date of signing these financial statements. It has not identified any weaknesses which resulted in material losses or contingencies or other uncertainties which require disclosure in the financial statements.

The Board and Senior Management have developed a Risk Map in accordance with Group procedures to evaluate each of these risks and to outline mitigation strategies.

Group Accounts
Castle Rock Edinvar Housing Association is exempt from the requirement to prepare and deliver group accounts as it is itself a wholly owned subsidiary of Places for People Group Limited. As such these financial statements present information about Castle Rock Edinvar Housing Association as an individual undertaking and not about it as a group.

Corporate Governance
The board has regard to the UKCG code when setting their corporate governance, by which they govern the organisation. In doing so the Board closely follows the principles followed by Group.
Linked to the above, the Association has adhered to these principles except for Code provisions 3, 4, 5 and 18.
Provisions 3, 4, and 18 contemplate dialogue with external shareholders or decisions being referred to shareholders on matters of director appointments, auditor appointments, director remuneration and the use of the AGM to communicate with investors.

Castle Rock Edinvar does not have external shareholders in the sense contemplated by the Code and therefore it addresses the need for scrutiny and evaluation through the board or an appropriate standing committee of the board and the Group engages with investors through a series of roadshow meetings and through an annual investors forum. Where Castle Rock Edinvar does not operate a particular standing committee of its own board it relies on Group Board level committees, described below, to perform these relevant functions.

The Group has an Audit & Risk Committee, a Remuneration Committee, a Nominations & Governance Committee, a Development, Investment & Regeneration Committee and a Treasury Committee. With the exception of the Group's Audit & Risk Committee and the Nominations & Governance Committee, the remit of those committees extends to Castle Rock Edinvar. The committees draw members from and report to the Group Board and there are members (non-executive and executive) of the Group Board who are also members of the board of Castle Rock Edinvar, ensuring that information from the committees reaches Castle Rock Edinvar's board. In this way, the provisions of the Code are met in respect of Castle Rock Edinvar.
Provision 5 states that the board should understand the views of other key stakeholders and describe in the annual report how their interests and the matters set out in section 172 (duty to promote the success of the company) of the Companies Act 2006 (the 2006 Act) have been considered in board discussions and decision-making. Castle Rock Edinvar is a registered society rather than a company and so the specific reporting requirements under section 172 of the 2006 Act do not apply to it. However, Castle Rock Edinvar's parent company, Places for People Group Limited, publishes consolidated group accounts which do contain a section 172 statement within its Strategic report. That statement addresses the issue of identification of key stakeholders and engagement with their views across the whole Group including Castle Rock Edinvar.
Provision 5 also prescribes the options for workforce engagement. The board has concluded that its methods for engagement described in the People section of Group's Annual report are effective and more suited to the Group's overall needs than any of the Code's prescribed mechanisms.
The Group Annual report contains a Governance report that details the governance arrangements of the Group, and how the Code is applied at Group Board level.
Board members consider the report and accounts, taken as a whole, to be fair, balanced and understandable.

Going concern and viability statement

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. Consideration of the Association's going concern and viability, as a wholly owned subsidiary of the Group is within the remit of the Group Board.

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

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

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

Castlerock Edinvar receives funding from Places for People Homes through an on-lending facility, Places for People Homes is part of the Guarantor Group and can access funding from this Group pool, therefore the liquidity position of the Group supports the going concern assumption for the Castlerock Edinvar.

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

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

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

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

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

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

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

Compliance with the Scottish Housing Regulator's Financial Regulatory Standards and Financial Viability Standard

The Association has assessed the position and confirms that it has complied with Scottish Housing Financial Regulatory Standards 2019.

Statement of Board to the Auditors

At the time of approval of this report:

- So far as the Board is aware, there is no relevant audit information of which the Associations' Auditor is unaware,
- The Board has taken all steps that they ought to have taken as a Board in order to make themselves aware of any relevant audit information and to establish that the Association's Auditor is aware of that information.

Statement of Internal Financial Control

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

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

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

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

The Board has reviewed the effectiveness of the internal financial controls in existence in the Association for the year ended 31 March 2021. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

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

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

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

The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of its income and expenditure for that period.
In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2019. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

By order of the Board

Chris Martin
Company Secretary

1 September 2021

Independent auditor's report to the members of Castle Rock Edinvar Housing Association only

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

In our opinion the financial statements:

• give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Association as at 31 March 2021 and of its income and expenditure for the year then ended;
• comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
• have been prepared in accordance with the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2019.

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

Going concern
The Association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the Association or to cease its operations, and as they have concluded that the Association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").
In our evaluation of the Board's conclusions, we considered the inherent risks to the Association's business model and analysed how those risks might affect the Association's financial resources or ability to continue operations over the going concern period.
Our conclusions based on this work:
• we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
• we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for the going concern period.
However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:
• Enquiring of directors and inspection of policy documentation as to the Association's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
• Reading Board and Audit and Risk Committee minutes.
• Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, and taking into account possible pressures to meet internal performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from other core (non-social) income streams is overstated and the risk that Association management may be in a position to make inappropriate accounting entries.
We did not identify any additional fraud risks.

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

Fraud and breaches of laws and regulations – ability to detect continued

We also performed procedures including:

• Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by unexpected individuals, journals containing specific words, journals posted to seldom used accounts, and journals posted to cash, borrowings and turnover that were considered outside of the normal course of business.

• Assessing whether revenue transactions either side of the year end were recognised in the correct period.

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

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

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

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

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

We are required to report to you if:

• based solely on that work, we have identified material misstatements in the other information; or

• in our opinion, the Statement on Internal Financial Control does not provide the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls; or

• in our opinion, the Statement on Internal Financial Control is materially inconsistent with the knowledge acquired by us in the course of performing our audit.

We have nothing to report in these respects.

Matters on which we are required to report by exception

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

• the Association has not kept proper books of account; or

• the Association has not maintained a satisfactory system of control over its transactions; or

• the financial statements are not in agreement with the Association's books of account; or

• we have not received all the information and explanations we need for our audit.

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 12, the Association's Board is responsible for: the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

This report is made solely to the Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 69 of the Housing (Scotland) Act 2010. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association for our audit work, for this report, or for the opinions we have formed.

[redacted]

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

17 September 2021

Castle Rock Edinvar Housing Association
Statement of Comprehensive Income
For the year ending 31 March 2021

	Notes	**2021** **£'000**	2020 £'000
Turnover	2	**43,745**	38,974
Operating costs	2	**(20,121)**	(19,518)
Surplus on sale of fixed assets	5	**126**	52
Loss on revaluation of investment properties	13	**(140)**	(91)
Operating surplus	2	**23,610**	19,417
Interest receivable and similar income	7	**202**	5
Interest payable and similar charges	8	**(1,212)**	(1,369)
Surplus on ordinary activities		**22,600**	18,053
Actuarial (loss)/gain recognised in the pension scheme	21	**(2,065)**	300
Total comprehensive income for the year		**20,535**	18,353

All activities are continuing.

The notes on pages 19 to 35 form an integral part of these financial statements.

Castle Rock Edinvar Housing Association
Statement of Financial Position
As at 31 March 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Housing properties - depreciated cost	11	**539,989**	503,085
Other fixed assets	12	**2,712**	2,712
Fixed asset investments			
Fixed asset investment	13	**12,109**	12,163
Homebuy fixed asset investment	14	**104**	116
		12,213	12,279
Total fixed assets		**554,914**	518,076
Current assets			
Stock	15	**524**	223
Debtors: amounts due within one year	16	**7,228**	3,796
Cash at bank and in hand		**199**	332
		7,951	4,351
Creditors: amounts due within one year	17	**(16,469)**	(98,685)
Net current liabilities		**(8,518)**	(94,334)
Non-current liabilities			
Creditors: amounts falling due after more than one year	18	**(375,075)**	(274,285)
Pension provision	21	**(2,480)**	(1,151)
		(377,555)	(275,436)
Net assets		**168,841**	148,306
Capital and Reserves			
Non equity share capital	19	**-**	-
Revenue reserve		**168,841**	148,306
Total capital and reserves		**168,841**	148,306

The notes on page 19 to 35 form an integral part of these financial statements.

The financial statements on pages 16 to 35 were approved by the directors on 1 September 2021 and were signed on its behalf by:

[redacted]

Graham Waddell	**Thomas Norris**	**Chris Martin**
Chair	**Managing Director**	**Secretary**

Castle Rock Edinvar Housing Association
Statement of Changes in Equity
For the year ending 31 March 2021

	Retained Earnings £'000
Balance at 1 April 2020	**148,306**
Total comprehensive income for the year	
Net surplus for the year	**22,600**
Actuarial loss recognised in the pension scheme	**(2,065)**
Balance at 31 March 2021	**168,841**

The notes on page 19 to 35 form an integral part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 (FRS 102) ,with the Companies Act 2006, and the requirements of the Co-operative and Community Benefit Societies Act 2014 Determination of Accounting Requirements 2012 and comply with the accounting requirements of section 68(1) of the Housing (Scotland) Act 2010.

The Association is a public benefit entity.

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

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention and comply with the Registered Social Landlords Accounting Requirements (Scotland) Order 2014.

The Association's ultimate parent undertaking includes the Association in its consolidated Financial Statements. Those consolidated Financial Statements are prepared in accordance with FRS 102 and are available to the public and maybe obtained from Places for People Group Limited, 80 Cheapside, London, EC2V 6EE.

As the consolidated financial statements of the ultimate parent undertaking, Places for People Group Limited, include the equivalent disclosures, the Association has also taken the exemptions under FRS 102 available in respect of financial instruments and has not provided disclosures otherwise required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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

Significant Judgements

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

Going Concern

In order to assess whether it is appropriate for the Association to be reported as a going concern, the management apply judgement, having undertaken appropriate enquiries and having considered the business activities and the principal risks and uncertainties. The Association's ultimate parent undertaking, Places for People Group Limited, includes a full review of going concern and is set out in the Going Concern and Viability Statement of the consolidated financial statements. In arriving at this judgement there are a large number of assumptions and estimates involved in calculating future cash flow projections. This includes management's expectations of both property sales and rental turnover, operating costs, timing and quantum of future capital expenditure and estimates and cost of future funding. Sensitivity testing, involving challenging scenarios including reasonable worst case scenarios in respect of Covid-19, has been undertaken in respect of the assumptions used within the going concern assessment. As a result of these considerations the financial statements have been prepared on a going concern basis.

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

Investment properties

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

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

Accounting estimates

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

Residual value of social housing properties

It is considered that the estimate of residual value of social housing properties has a significant impact on the carrying amount of social housing assets. The Association considers the residual value of social housing property structure to be cost. The net book value of completed social housing properties is £496m. The residual value of social housing property structure is £43.0m above the carrying value as at 31 March 2021. A 10% reduction in residual value would result in no impact to the depreciation charge.

Defined benefit pension schemes

The Association has defined benefit obligations relating to one pension scheme. Note 21 sets out the details for these schemes and the assumptions made to assess the net scheme benefit as at the reporting date. The Association engages qualified actuaries to advise on an appropriate discount rate. A decrease in the discount rate used of 0.1% is estimated to reduce scheme total deficits by £49k.

Investment properties

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

Recoverability of Stock

The Association has £524k of stock at 31 March 2021 (2020: £223k), comprising trade stock of £524k. FRS 102 section 13 requires stock to be measured at the lower of cost and estimated selling price less costs to complete and sell. The Association also undertakes sensitivity analysis and has assessed that that a short-term drop in expected selling prices of our completed properties of 10% would not result in a material impairment charge.

The Association monitors development projects and properties held for sale on an ongoing basis and uses rigorous appraisal techniques to estimate the recoverable amount of stock. Realistic financial projections are used on an individual site basis to allow management to estimate that land and property are held at the appropriate amount. The Association makes judgements to assess the achievable selling price for properties including assessing the views of specialist advisers on the UK housing market and future house price inflation. Management also consider detailed information relating to geographical area and property type. As such the Association judges that stock is held at the lower of cost and estimated selling price less costs to complete and sell.

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

Turnover

The turnover represents mainly rents, service charges and revenue grants receivable from the Scottish Government or Local Authorities and some fees from managing agency services.

Tenant Arrears, Trade and other debtors

Tenant Arrears, Trade and other debtors are recognised initially at transaction price less attributable transaction costs.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs.

Pensions

The Association participates in the Scottish Housing Association's Pension Scheme (SHAPS), a multi-employer defined benefit scheme. During the year to 31 March 2019, the Association recognised its individual share of the SHAPS scheme deficit following an exercise carried out by independent actuaries to identify each member's share of the deficit. The change in the liability as a result of the change in estimate has been recognised in other comprehensive income as indicated in the amendments made to FRS 102 Section 28 'Employee Benefits'. The in-year movement in the scheme deficit is split between operating charges, finance costs and, in other comprehensive income, actuarial gains and losses. The Association has complied with relevant disclosures which are included in Note 21.

The Association also contributes to two defined contribution schemes. These schemes' assets are held separately from those of the Association in an independently administered fund. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

VAT

The majority of the Association's turnover from letting activities is exempt from VAT. Where appropriate, costs are stated including irrecoverable VAT.

Housing Association Grant (HAG) and other capital grants

When HAG in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

Where HAG or other grant is retained following the disposal of property, it is shown under the disposal proceeds and recycled capital grant funds in creditors. These funds will be used for the provision and improvement of new social housing for rent and sale.

HAG is initially recognised at fair value as a long term liability as deferred grant income and released through the profit and loss as turnover income over the life of the component elements of housing properties in accordance with the accrual method applicable to registered providers of social housing accounting for housing properties at cost, except for grant received in respect of Homebuy investments, included in Note 18 with Deferred Government Grant.

Concessionary loans

The Association has a Shared Ownership arrangement which is considered to be a concessionary loan.

Under the Shared Ownership scheme, the Association receives Shared Ownership grant representing a percentage of the open market purchase price of a property in order to advance interest free loans to a homebuyer. The loans advanced by the Association meet the definition of concessionary loans and are shown as fixed assets investments on the balance sheet. All are non-current loans, as they are not redeemable on demand.

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

Capitalisation of fixed assets

The Association capitalises expenditure to existing properties which it is considered will materially enhance the economic life of the asset, its income generating capacity or will result in a material reduction in annual operating costs. Components such as kitchens, windows, doors and bathroom replacement programme are capitalised and depreciated over their expected useful lives.

Scottish Government shared equity scheme

The Association has sold properties under the Scottish Government shared equity schemes. Under these schemes buyers purchase a majority share of the property with the balance funded by Scottish Government grants. The fixed asset investment represents the total of the loans receivable from purchasers of the property when the equity is released. There is an equal and opposite liability to the Scottish Government amounting to any shared equity release.

Cost of raising finance

The cost of raising finance is amortised over the period of the instrument. The deferred cost is offset against the liability and is included within "Creditors: amounts falling due after one year" (Note 18).

Depreciation

Fixed assets other than freehold land are depreciated in accordance with FRS102 at rates calculated to reduce the net book value of each component element to its estimated residual value, on a straight line basis, over the expected remaining useful life of the component. Freehold land is not depreciated. The estimated life of assets and components is as shown in the table below.

Housing assets	Depreciation period in years
Kitchens	20
Bathrooms	20
Boilers	15
External Windows & Doors	30
Roofs	45
Fire Safety Systems	20
Fencing	30
Digital TV Aerials	10
Lifts	10
Aids and adaptations	10
Initial and replacement scheme assets	10
Other Elements (new build)	100
Other Elements (rehab)	80
Other Elements (leasehold)	Lesser of Term of Lease or 100 years
Other Fixed Assets	
Offices (new build)	100
Offices (rehab)	10
Office refurbishment	10
Offices (long leasehold)	Lesser of Term of Lease or 100 years
Offices (short leasehold)	10
Equipment	5
Computer hardware, software and infrastructure	5

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

Impairment

For fixed assets with a remaining useful life greater than 100 years an impairment review is carried out on an annual basis in accordance with FRS 102. For all other assets an impairment review is undertaken when there is an indication the asset may be impaired. If assets are found to be impaired, the amount of impairment is disclosed in Note 3 - Analysis of the income and expenditure.

Deferred government grant

HAG received from The Scottish Government is initially stated at fair value as a long term liability and is amortised as income over the life of the component elements of properties.

Capitalisation of interest and development overheads

Interest is capitalised on loans financing schemes in development up to their completion. This is calculated by reference to the Association's cost of borrowing and the development costs.

Administration costs relating to development activities are capitalised based on an apportionment of the staff time directly spent on this activity.

Investment Property

Private sector rented properties are shown in investment properties and were valued externally at the date of transition to FRS 102 (1 April 2014) by a qualified RICS chartered surveyor. Valuations are re-assessed on an annual basis.

Commercial properties are shown in investment properties and valuations are completed by a qualified RICS chartered surveyor using detailed rental income stream and yield information.

Investment properties are held at fair value with changes in fair value recognised in profit and loss.

Fixed asset investments

Fixed asset investments are measured at cost. An annual review is carried out by management to assess if there are any triggers that would lead to an impairment review. In the event of any impairment, the investment is measured at the lower of its recoverable amount or its value in use. Investments in joint ventures are recognised initially at cost and subsequently measured using the equity method.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Group Accounts

Castle Rock Edinvar Housing Association is exempt from the requirement to prepare and deliver group accounts as it is itself a wholly owned subsidiary of Places for People Group Limited. As such these financial statements present information about Castle Rock Edinvar Housing Association as an individual undertaking and not about its group.

Stock and work in progress

Stock and work in progress principally comprises the costs to the balance sheet date of properties being developed for sale either as outright sale or shared ownership properties.

Service charge sinking funds

The Association is required to set aside sums in respect of future maintenance of certain factored properties. Amounts accumulated in the fund are included within "Cash at bank and in hand" and within "Creditors: amount falling due within one year" (Note 17).

2. PARTICULARS OF TURNOVER, OPERATING COSTS, AND OPERATING SURPLUS

	2021				2020
	Turnover	**Operating costs**	**Other operating items**	**Operating surplus**	Operating surplus
	£'000	**£'000**	**£'000**	**£'000**	£'000
Social lettings (note 3)	**36,109**	**(19,307)**	**-**	**16,801**	15,554
Other activities (note 4)	**7,636**	**(813)**	**-**	**6,823**	3,902
Sale of fixed assets (note 5)	**-**	**-**	**126**	**126**	52
Loss on revaluation of investment properties (note 13)	**-**	**-**	**(140)**	**(140)**	(91)
	43,745	**(20,121)**	**(14)**	**23,610**	19,417

3. PARTICULARS OF TURNOVER, OPERATING COSTS, AND OPERATING SURPLUS FROM SOCIAL LETTINGS ACTIVITIES

	2021				2020
	General needs housing	**Supported housing and housing for older people**	**Low cost home ownership**	**Total**	Total
	£'000	**£'000**	**£'000**	**£'000**	£'000
Income from lettings activities					
Rent receivable net of service charges	**26,539**	**2,556**	**602**	**29,697**	28,131
Service charges receivable	**1,820**	**1,067**	**6**	**2,893**	2,657
Gross Rents Receivable	**28,359**	**3,623**	**608**	**32,590**	30,788
Less: Voids	**(574)**	**(159)**	**(4)**	**(737)**	(220)
	27,785	**3,464**	**604**	**31,853**	30,568
Revenue grants from local authorities and other agencies	**220**	**-**	**-**	**220**	325
Grant amortisation	**3,979**	**-**	**-**	**3,979**	3,226
Other income	**55**	**2**	**-**	**57**	237
	32,039	**3,466**	**604**	**36,109**	34,356
Expenditure on letting activities					
Management	**(3,346)**	**(2)**	**(3)**	**(3,351)**	(3,637)
Services	**(1,630)**	**(902)**	**(3)**	**(2,535)**	(2,191)
Routine maintenance	**(4,319)**	**(614)**	**(1)**	**(4,934)**	(4,590)
Planned maintenance	**(2,808)**	**(298)**	**-**	**(3,106)**	(3,165)
Rent losses from bad debts	**(341)**	**(7)**	**(6)**	**(354)**	(271)
Depreciation on housing assets	**(3,365)**	**-**	**-**	**(3,365)**	(2,740)
Other costs	**(1,656)**	**(6)**	**-**	**(1,662)**	(2,208)
	(17,465)	**(1,829)**	**(13)**	**(19,307)**	(18,802)
Operating surplus on letting activities	**14,574**	**1,637**	**591**	**16,802**	15,554
Total for the year ended 31 March 2020	12,867	1,890	684	15,441	

4. PARTICULARS OF TURNOVER, OPERATING COSTS, AND OPERATING SURPLUS FROM OTHER ACTIVITIES

	Other revenue grants	**Supporting people income**	**Other income**	**Total Turnover**	**Other operating costs**	**Operating surplus/ (deficit) year ended 31 March 2021**	Operating surplus/(deficit) year ended 31 March 2020
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	£'000
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	**4**	**-**	**-**	**4**	**(51)**	**(47)**	(44)
Developments and improvements for sale to non registered social landlords	**-**	**-**	**-**	**-**	**(271)**	**(271)**	-
Commercial property income	**-**	**-**	**3,475**	**3,475**	**(215)**	**3,260**	2,676
VAT recovery	**-**	**-**	**86**	**86**	**-**	**86**	88
Other	**-**	**-**	**4,071**	**4,071**	**(276)**	**3,795**	1,182
Total from other activities	**4**	**-**	**7,632**	**7,636**	**(813)**	**6,823**	3,902
Total from other activities for the year ended 31 March 2020	6	-	4,612	4,618	(716)	3,902	

5. SALE OF FIXED ASSETS AND REDUCTION OF GRANT LIABILITY

	2021	2020
	£'000	£'000
Sales proceeds	**437**	294
Cost of sales	**(227)**	(239)
Operating costs	**(84)**	(3)
Gain on sale of fixed asset	**126**	52
Reduction of grant liability	**(138)**	-
Recycled Grant	**138**	-
Non cash reduction in grant liability	**-**	-
Surplus on sale of other assets and reduction in grant liability	**126**	52

6. DIRECTORS AND KEY MANAGEMENT EMOLUMENTS

The Association is controlled by a Board. The non-executives' emoluments during the year for the Chair of audit and risk were met by Places for People Group Limited.

The number of Non Executive Board members whose emoluments fall in the following ranges were as follows:

	2021	2020
	No.	No.
£5,000 - £9,999	**-**	-

The Managing Director is a director and is remunerated by the Association and detailed with the other key management officers below.

	2021	2020
	£'000	£'000
The aggregate of emoluments payable to Key Management Officers	**511**	327
Aggregate emoluments payable to the Managing Director (exc. pension)	**137**	110
Pension contributions payable to Key Management Officers	**51**	44

Remuneration banding for key management personnel is disclosed below, which is considered by the Places for People Group to be Executive Directors and members of the Group management team responsible for the management of the Association. The analysis below includes staff remunerated by the Association only.

	2021	2020
	No.	No.
£60,000 - £69,999	**-**	1
£70,000 - £79,999	**-**	2
£80,000 - £89,999	**3**	-
£100,000 - £109,999	**-**	1
£110,000 - £119,999	**1**	-
£130,000 - £139,999	**1**	-

6. DIRECTORS AND OFFICERS' EMOLUMENTS (CONT'D)

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

	2021	2020
	No.	No.
Housing	**47**	50
Property Services and Direct Trades	**111**	110
Sheltered Housing	**14**	18
Wider role and Commercial activities	**3**	4
Total Managing Housing Services	**175**	182
Central Administration Services	**21**	17
Total average FTE employees	**196**	199

Staff costs (for the above persons):	**2021**	2020
	£'000	£'000
Wages and salaries	**6,220**	6,077
Severance costs	**123**	15
Social security costs	**580**	562
Other pension costs	**607**	591
	7,530	7,245

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£'000	£'000
Interest receivable on cash deposits	**202**	5

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£'000	£'000
On loans from related undertakings	**1,503**	1,634
On bank loans and overdrafts	**271**	464
	1,774	2,098
Capitalised interest	**(581)**	(775)
Unwinding of SHAPS pension liability discount	**19**	46
	1,212	1,369
Capitalisation rate used to determine the finance costs capitalised during the year:	**3.75%**	3.75%

9. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

Surplus on ordinary activities before taxation was arrived at after charging:

	2021	2020
	£'000	£'000
Auditor remuneration in their capacity as auditors	**12**	12
Payments under operating leases on motor vehicles	**299**	277
Depreciation of housing fixed assets	**3,308**	2,665
Depreciation of other fixed assets	**99**	99

10. TAXATION

There was no charge for corporation tax in 2021 or in 2020. The Association has charitable status and is exempt from corporation taxation under the provisions of Section 505 of the Income and Corporation Taxes Act 1988.

11. HOUSING PROPERTIES

	Completed housing properties	**Completed LSE & Shared Ownership housing properties**	**Housing properties, LSE & Shared Ownership in the course of construction**	**Total housing properties**
	£'000	**£'000**	**£'000**	**£'000**
Cost				
At 1 April 2020	508,613	13,265	46,807	568,685
Additions	-	-	40,584	40,584
Change of tenure	-	43	(216)	(173)
Transfer to completed schemes	43,176	-	(43,176)	-
Transfer to sales on account on disposal	-	(229)	-	(229)
At 31 March 2021	**551,789**	**13,079**	**43,999**	**608,867**
Depreciation & Impairment				
At 1 April 2020	(63,966)	(1,634)	-	(65,600)
Depreciation charges during year	(3,306)	(2)	-	(3,308)
Depreciation eliminated on disposal	-	30	-	30
At 31 March 2021	**(67,272)**	**(1,606)**	**-**	**(68,878)**
Net Book Value at 31 March 2021	**484,517**	**11,473**	**43,999**	**539,989**
Net Book Value at 1 April 2020	444,647	11,631	46,807	503,085

Expenditure on major works to existing properties during the year was £4.6m (2020: £7.4m).

Additions to housing properties in the course of construction during the year include an apportionment of staff time directly spent on the administration of development activities amounting to £1.4m (2020: £1.5m).

Additions to housing properties in the course of construction during the year include capitalised interest of £0.6m (2020: £0.8m).

12. OTHER FIXED ASSETS

	Plant & Special Equipment	Computer Equipment	Freehold Commercial Properties	Fixtures & Fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2020	3	48	3,017	334	3,402
Additions	-	-	99	-	99
At 31 March 2021	**3**	**48**	**3,116**	**334**	**3,501**
Depreciation					
At 1 April 2020	(3)	(48)	(375)	(264)	(690)
Charged during year	-	-	(76)	(23)	(99)
At 31 March 2021	**(3)**	**(48)**	**(451)**	**(287)**	**(789)**
Net book value at 31 March 2021	**-**	**-**	**2,665**	**47**	**2,712**
Net book value at 31 March 2020	-	-	2,642	70	2,712

13. FIXED ASSET INVESTMENTS

	2021	2020
	£'000	£'000
External investments and investment in related undertakings (a)	**10,000**	9,911
Investment property (b)	**2,109**	2,252
Total fixed asset investments	**12,109**	12,163

(a) External investments and investment in related undertakings	**2021**	2020
	£	£
Equity investments in related undertakings		
Places for People Scotland Limited	**1**	1
Equity investments in associates		
PFPC MMR LP	**9,999,900**	9,910,566
External investments		
Vital Spark Incubation Ltd	-	-
	9,999,901	9,910,567

(b) Investment properties

	£'000
At 1 April 2020	**2,252**
Change of tenure	**(3)**
Revaluation in year	**(140)**
At 31 March 2021	**2,109**

For the year ended 31 March 2021, the Group has obtained an independent valuation of the investment property portfolio. This was performed in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors (a 'red book' valuation). The valuation was undertaken by Savills, who are independent, RICS qualified, have a strong professional reputation with and considerable experience in producing red book valuations.
A discounted cash flow method was used to estimate the fair value of the portfolio. This used up-to-date information on net operating cash flows and applied an appropriate yield to this data based on an understanding of the market and the individual circumstances of each part of the portfolio. Comparisons have also been made with similar properties in recent transactions to give additional comfort around the valuations. Where applicable, an assessment is made on a similar basis for any related commercial income in respect of these properties. Management interrogation and challenge has been applied to both the valuation method and the assumptions used, including in respect of cash flows, CPI and HPI as appropriate.

14. HOMEBUY FIXED ASSET INVESTMENTS

	2021	2020
	£'000	£'000
At 1 April	**116**	115
Net appreciation in year	**8**	1
Disposals in year	**(20)**	-
At 31 March	**104**	116

15. STOCK AND WORK IN PROGRESS

	2021	2020
	£'000	£'000
Completed properties	**-**	43
Trade stock	**524**	180
	524	223

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Rental debtors	**2,024**	1,693
Less: provision for bad and doubtful debts	**(586)**	(508)
	1,438	1,185
Other trade debtors	**2,610**	769
Sundry debtors, prepayments and accrued income	**174**	757
Loans to employees	**9**	-
Capital development debtor	**503**	582
Amounts due from related undertakings	**2,494**	503
	7,228	3,796

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Amount due to related undertakings	**-**	80,261
Trade creditors	**2,464**	2,497
Other creditors and accruals	**2,520**	4,913
Other taxes	**171**	59
Capital development creditor	**6,341**	7,018
Deferred Government Grant	**4,159**	3,233
Payments received on account	**16**	-
Prepaid rent	**798**	704
	16,469	98,685

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

	2021	2020
	£'000	£'000
Debt		
Housing loans	**5,500**	5,500
Loans from related undertakings	**100,921**	90,263
Recycled Capital Grant Funds	**4,664**	4,526
Cost of raising finance	**(26)**	(28)
	111,059	100,261
Less: payable within one year	**-**	(80,261)
Deferred Government Grant	**264,016**	254,285
	375,075	274,285

Debt analysis

Debt is repayable as follows:		
In one year or less	**-**	80,261
In more than one year but less than two years	**100,918**	(2)
In more than two years but less than five years	**(7)**	9,992
In more than five years :		
Not by instalments	**10,148**	10,010
	111,059	100,261

The housing loan is secured by specific charges over properties, and interest is charged at 4.38%.

19. NON EQUITY SHARE CAPITAL

	2021	2020
	No.	No.
Issued, allotted and unpaid "A" shares of £1 each		
At 1 April	**11**	9
Cancelled during the year	**(5)**	(2)
Issued during the year	**1**	4
At 31 March	**7**	11
Issued, allotted and fully paid "B" shares of £1 each		
At 1 April	**88**	140
Cancelled during the year	**(3)**	(54)
Issued during the year	**1**	2
At 31 March	**86**	88

The shares are not transferable or redeemable. Payment of dividends or other benefits to shareholders is forbidden by the Association's rules and by the Cooperative and Community Benefit Societies Act 2014. On a return of capital on a winding-up, no member shall receive any property or sum beyond their £1 entitlement.

20. CAPITAL AND FINANCIAL COMMITMENTS

	2021	2020
	£'000	£'000
Capital Commitments		
Capital expenditure that has been authorised and contracted for but has not been provided for in the financial statements	**44,693**	33,889
Additional Capital expenditure that has been authorised by the Board of directors	**71,551**	147,014

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

Financial Commitments

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

Motor Vehicles		
In one year or less	**227**	214
Between one and five years	**386**	201
	613	415

21. PENSION OBLIGATIONS

The Association contributed to one Defined Benefit and two Defined Contribution schemes during the year. The pension costs for the Association relate to the following schemes:

	2021	2020
	£'000	£'000
Defined Benefit scheme liabilities		
The Scottish Housing Associations' Pension Schemes "SHAPS"	**2,480**	1,151

The Scottish Housing Associations' Pension Scheme (SHAPS) - defined benefit section ("the Scheme")

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

The Scheme was previously closed to new entrants and from 1 April 2014 new accruals ceased. Members of the Scheme were given the option to enrol in one of the Associations' Defined Contribution schemes.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £198m. A recovery plan has been put in place to eliminate the deficit which runs to 28 February 2022 for the majority of employers, although certain employers have different arrangements.

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

For financial years ending on or before 28 February 2019, it had not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Group had previously accounted for SHAPS as a defined contribution scheme. For financial years ending on or after 31 March 2019, it was possible to obtain sufficient information to enable the company to account for the scheme as a defined benefit scheme.

21. PENSION OBLIGATIONS (CONT'D)

The mortality assumption used at 31 March 2021 is that a male currently aged 65 years old has a life expectancy of 21.5 years (2020: 21.5 years), a female currently aged 65 years old has a life expectancy of 23.4 years (2020: 23.2 years), a male currently aged 45 years old has a life expectancy of 42.8 years (2020: 42.8 years) and a female currently aged 45 years old has a life expectancy of 45.0 years (2020: 44.5 years).

The major assumptions used by the actuaries of each scheme were:

	2021	2020
Discount rate	**2.10%**	2.50%
Rate of RPI inflation	**3.30%**	2.90%
Rate of increase in salaries	**3.85%**	2.67%
Rate of CPI inflation	**2.60%**	1.90%

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

Diversified growth funds, hedge funds and structure funds	**13.6%**	16.5%
Equities	**19.9%**	18.2%
Liability driven investments	**36.0%**	30.6%
Absolute return bonds	**7.6%**	10.4%
Corporate bonds	**7.5%**	7.3%
Other fixed interest	**6.7%**	5.6%
Insurance linked securities	**2.1%**	2.7%
Direct lending	**2.4%**	4.4%
Property	**4.2%**	4.3%

Amounts recognised in the Statement of Financial Position	**2021** **£'000**	2020 £'000
Fair value of assets	**26,235**	23,505
Present value of the scheme's liabilities	**(28,715)**	(24,656)
Deficit in the scheme	**(2,480)**	(1,151)

Defined benefit cost recognised in the statement of comprehensive income	**2021** **£'000**	2020 £'000
Expenses	**25**	25
Net interest expense	**19**	46
Total charged to the statement of comprehensive income	**44**	71

Amounts recognised in Other Comprehensive Income	**2021** **£'000**	2020 £'000
Experience on plan assets	**2,251**	(1,094)
Experience gains on plan liabilities	**(403)**	453
Effects of changes in demographic assumptions	**-**	(338)
Effects of changes in financial assumptions	**(3,913)**	1,279
Defined benefit gain recognised in other comprehensive income	**(2,065)**	300
Initial recognition of multi-employer defined benefit scheme	**-**	**-**

The change in the fair value of the plan assets is analysed as follows:

As at 1 April	**23,505**	24,241
Interest on plan assets	**586**	604
Company contributions	**780**	847
Benefits paid	**(887)**	(1,093)
Return on assets less interest	**2,251**	(1,094)
As at 31 March	**26,235**	23,505

21. PENSION OBLIGATIONS (CONT'D)

The change in the present value of the defined benefit obligations is analysed as follows:	**2021**	2020
	£'000	£'000
As at 1 April	**24,656**	26,468
Expenses	**25**	25
Interest costs	**605**	650
Benefits paid	**(887)**	(1,093)
Actuarial losses/(gains) due to scheme experience	**403**	(453)
Actuarial losses from changes to demographic assumptions	**-**	338
Actuarial losses/(gains) from changes to financial assumptions	**3,913**	(1,279)
As at 31 March	**28,715**	24,656

The Places for People Group Stakeholder Scheme ("the Group Scheme")

Employees joining the Association from 1 September 2004 to 1 April 2014 had the option of joining the Group Scheme. From the 1 April 2014 this scheme is only available to new entrants with sessional contracts.

The amount charged to the Statement of Comprehensive Income in relation to this scheme was £610k (2020: £587k) which represents contributions payable to this scheme by the Association at rates specified in the rules of the scheme.

22. RELATED PARTY TRANSACTIONS AND ULTIMATE PARENT UNDERTAKING

The Association is a subsidiary of the Places for People Group Limited, 80 Cheapside, London, EC2V 6EE. As the ultimate parent company publishes consolidated group accounts the Association has accordingly taken advantage of the exemption not to report transactions with other group members as permitted by FRS102 section 33.1A.
Under Section 33 of FRS 102 defined benefit pension schemes are considered to be related parties. Employees of the Association are members of the following defined benefit schemes: The Scottish Housing Associations' Pension Scheme, The Social Housing Pension Scheme, The Places for People Group Retirement Benefit Scheme, The Places for People Group Stakeholder Scheme. Details of transactions with the schemes are disclosed in note 21.

Places for People Scotland Limited is a subsidiary of the Company.

23. HOUSING ACCOMMODATION

	2021	2020
	No.	No.
General needs housing	**6,023**	6,156
Supported housing accommodation	**1,101**	893
Shared ownership accommodation	**234**	238
Other tenancies	**201**	56
Managed for others	**1**	6
	7,560	7,349

	General needs housing	Supported housing	Shared ownership housing	Others	2021 Total	2020 Total
	No.	**No.**	**No.**	**No.**	**No.**	No.
Units owned and managed at year end	**5,234**	**1,083**	**234**	**168**	**6,719**	6,485
Units managed not owned at year end	**-**	**1**	**-**	**-**	**1**	6
Units owned not managed at year end	**789**	**18**	**-**	**33**	**840**	858
	6,023	**1,102**	**234**	**201**	**7,560**	7,349

Units owned not managed at year end by managing body	2021	2020
	No.	No.
Places for People Scotland	**725**	589
Edinburgh Student Co-op	**24**	106
West Lothian Council	**32**	35
Key Moves	**7**	21
Edinburgh Cyrenians	**2**	19
City of Edinburgh Council	**16**	20
Other	**34**	68
	840	858