

DALMUIR PARK HOUSING ASSOCIATION LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

Registered Housing Association Number: HAL 98
Charity Registration Number: SC033471
FCA Reference Number: 1917 R S
Property Factor Number : PF000397

DALMUIR PARK HOUSING ASSOCIATION LIMITED

CONTENTS	Page
MEMBERS OF THE BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS	3
REPORT FROM THE BOARD OF MANAGEMENT	4-8
REPORT BY THE AUDITORS ON CORPORATE GOVERNANCE MATTERS	9
INDEPENDENT AUDITORS REPORT TO THE BOARD OF MANAGEMENT	10-13
STATEMENT OF COMPREHENSIVE INCOME	14
STATEMENT OF FINANCIAL POSITION	15
STATEMENT OF CASH FLOWS	16
STATEMENT OF CHANGES IN EQUITY	17
NOTES TO THE FINANCIAL STATEMENTS	18-35

DALMUIR PARK HOUSING ASSOCIATION LIMITED

The Board of Management, Executives and Advisers For the Year Ended 31 March 2022

MEMBERS OF THE BOARD OF MANAGEMENT

Chair	Craig Edward	
Vice Chair	Jordan Henderson	
Board Member	Ian Lennox	
Board Member	Melanie Cameron	
Board Member	Gordon Laurie	
Board Member	Karen Johnson	
Board Member	Lorraine Lester	
Board Member	Michelle Donnelly	
Board Member	Gavin Waddell	
Board Member	Gemma Connell	
Board Member	Nicola Gerrard	
Board Member	David McIndoe	Appointed 20 May 2021
Co-opted Member	Anita Williamson	Appointed 25 May 2022
Co-opted Member	Francis Polding	Appointed 28 July 2022

SECRETARY Anne Marie Brown

EXECUTIVE OFFICERS

Chief Executive Anne Marie Brown

REGISTERED OFFICE/PRINCIPAL ADDRESS

Beardmore House
631 Dumbarton Road
Dalmuir
Clydebank
G81 4EU

AUDITOR

French Duncan LLP
Chartered Accountants & Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

SOLICITORS

TC Young
Merchants House
7 West George Street
Glasgow
G2 1BA

BANKERS

Bank of Scotland
42-44 Sylvania Way
Clydebank
G81 2TL

DALMUIR PARK HOUSING ASSOCIATION LIMITED

Report from The Board of Management For the Year Ended 31 March 2022

The Board of Management presents their report and the audited Financial Statements for the year ended 31 March 2022.

Objectives and Strategy

The Association is a Registered Social Landlord and Scottish Charity. In September 2020, our Shareholding members approved revised Rules based on the SFHA's (Scottish Federation of Housing Association's) Charitable Model Rules (Scotland) 2020. The core objects as set out in our Rules are to provide for the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through the provision, construction, improvement and management of land and accommodation and the provision of care.

We approved a new three-year business plan in August 2021 with five strategic objectives:

- Objective 1 - Strong and Sustainable Strategic Governance
- Objective 2 - Excellent Services and Performance with strong leadership and people
- Objective 3 - Provide Quality Homes in an Attractive Environment
- Objective 4 - Value for Money for DPHA and our customers
- Objective 5 - Being more than just a great landlord

A new three-year Business Plan was approved by the Board of Management during the summer of 2021. The new Business Plan reflects on the significant achievements made by the Association in the preceding three-years, with the main focus of the Plan being on moving the Association forward as we emerge from the COVID-19 pandemic.

Legal Status

The Association is registered as a non-profit making Association under the Co-operative and Community Benefit Societies Act 2014 No.1917R(S). The Association is governed under its Rules. The Association is a registered Scottish Charity with the charity number SC033471. We are also a registered Property Factor with the Property Factor ID PF000397.

Review of business and future developments

As the Association continues to emerge out of the COVID-19 pandemic, it does so from a position of strength. The way the Association dealt with the challenges presented by the pandemic was testament to the strength and character of our Board members and staff.

Throughout the year the Association has continued to demonstrate its resilience, and its ability to adapt to an ever-changing environment. The Association continues to evolve its core services and has embraced new Information Technology to improve our internal and external communication and new ways of working.

Our office-based staff have returned back to working from the office, although they can enjoy the benefits of hybrid working. Our care services staff continue to deliver essential and much needed older people and children related services. The Association's governing body meetings continue to be held via Microsoft Teams, although we will be installing new technology that will allow for hybrid meetings moving forward. Throughout the year the Board and staff have been getting on with business as usual.

One of the Association's biggest successes during the year was being awarded £59,309 from the Scottish Government's Communities Recovery Fund in September 2021. The Association was successful in obtaining £59,309 through the CRF to deliver it's Dalmuir Dinners - Food, Fun & Friendships project. The project ran from October 2021 through to the end of March 2022. The project was about providing a dignified response to the challenges vulnerable people face, including children in our community, as a direct result of the COVID-19 pandemic; with a particular emphasis on addressing food poverty, social isolation and mental health and wellbeing. The project was delivered in partnership with the Golden Friendships, Trafalgar Housing Association, Dalmuir Out of Schools Care Group (DOSCG), and the 3 local primary schools. Just over 4,000 people attended a range of free events during the project, and DOSCG renovated a garden plot for the children to learn and grow fruit and vegetables.

Report from The Board of Management - Continued For the Year Ended 31 March 2022

In addition to the above, the following is a summary of the Association's key achievements during the last year:

- Retained all Board members and held a successful in-person AGM.
- Approved a new 3-year Business Plan.
- Our Engagement Plan published on 31 March 2022 notes that the Association is compliant with its Regulatory and legal requirements.
- Continued to deliver our Strategic Business Objectives.
- Delivered the Association's Planned Maintenance programme, including catching-up on some of the works delayed due to the pandemic.
- Received external assurance through our various external and internal audit processes.
- Revised our 30-year financial projections (including maintenance plans) demonstrating healthy cash-flows and no breaches of covenants.
- Procured and entered into a new repairs framework agreement.
- 92% of our tenants were satisfied with the overall service provided by DPHA.
- Continued to review policies and strategies within agreed timescales.
- Concluded the Finance & Corporate Services Team staff structure and appointed a new, experienced Team Leader.
- Worked with an external consultant, Arneil Johnston to carry out a rent affordability exercise.
- Joined TPAS's (Tenant Participation Advisory Service) Health Engagement Programme.

Financial Review

These financial results cover the Association's forty second year of operations. The Association made a surplus for the year of £563,678 (2021: £482,568) before other comprehensive income which has resulted in Total Comprehensive Income for the year of £628,678 (2021: £320,568). During the year, £496,709, was spent on planned maintenance (which has been capitalised) bringing the total spend on our Investment Programme to £33.0 million.

Turnover of £4.1 million (2021: £3.9m) was generated in the year (of which £2.9 million relates to the income from the letting of properties at affordable rents). Rent increases during 2021/22 were 2.0%.

At 31 March 2022 £8.4 million was held in reserves.

Future Plans

Dalmuir Park Housing Association continues to be a strong and resilient social business. The Board of Management remains conscious of the need to keep management costs as low as possible, rents affordable and still ensure that the Association can maintain and improve the standards of service to customers and the quality of its homes. The Association recognises that the operating and financial environment continue to be challenging, especially for smaller housing associations and for vulnerable communities impacted by the continuing cost of living and increased energy prices. The Association will continue to work with Arneil Johnston to develop strategies relating to the outcome of the rent affordability assessment carried out in 2021.

We will ensure going forward the Association continues to be self-aware and pro-active in making important strategic decisions that build on our strengths and maximise opportunities, whilst identifying and responding to threats. This will ensure that DPHA continues to be a resilient and successful organisation.

In addition to the above another four key projects will be taken forward in 2022/2023:

- Customer consultation on the Association's stonework investment programme and internal and external wall insulation proposals, and then progressing the agreed option.
- Procuring new housing and financials software.
- Reviewing the business model for DOSCG, ensuring it's long-term sustainability.
- Developing our approach to decarbonisation.

Report from The Board of Management - Continued For the Year Ended 31 March 2022

The Board is focussed on DPHA's future; knows the strategic direction it wants to take and has been forward thinking and is prepared to explore opportunities for growth and change as long as the Association's Vision, Values and tenants' interests are at the heart of what we do.

Risks and uncertainties

In terms of risk management, the Association continues to embed its well-established approach to risk management throughout the organisation, and this was strengthened during the year by the review of our Risk Management Policy and risk management training for the Board and Leadership Team. The Association's Risk Register has evolved to include scoring relating to risk appetite, risk maturity and risk tolerance.

We will continue to manage key risks including:

- Recovery from COVID-19, the continued impact of Brexit, and the continuing conflict in Europe
- Inflation, pay, interest rates and cost/supply of materials
- Rent affordability and VFM
- Tenant Health & Safety
- Delivering our investment programme
- Carrying out our programme of stonework repairs
- Pension liabilities
- DOSCG
- Covenant compliance
- Contract management
- Good governance

Prudent treasury management will continue be required to manage cash flow to meet the delivery of the required investment programme.

Principal Activity

The principal activity of the Association is to maximise its impact as a social landlord in the local community through the provision of wide-ranging quality services.

Statement of Board of Management's responsibilities

The Co-operative and Community Benefit Act 2014 and the Housing (Scotland) Act 2010 require the Board of Management to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that year. In preparing those Financial Statements, the Board of Management is required to:-

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

DALMUIR PARK HOUSING ASSOCIATION LIMITED

Report from The Board of Management- Continued For the Year Ended 31 March 2022

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Statement of Recommended Practice – Housing 2018 (the SORP) and Determination of Accounting Requirements 2019. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

The Board of Management must in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Board of Management are aware:

- There is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's auditors are unaware, and
- The Board of Management have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

Statement on Internal Financial Control

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

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

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

- Formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- Experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- Forecasts and budgets are prepared which allow the management team and the Board of Management to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- Quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Management;

DALMUIR PARK HOUSING ASSOCIATION LIMITED

Report from The Board of Management - Continued For the Year Ended 31 March 2022

- The Board of Management receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken; and
- Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

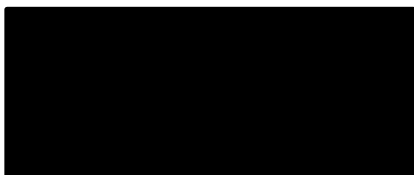
The Board of Management has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2022. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require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

Independent Auditor

A resolution for the reappointment of French Duncan LLP as auditor is to be proposed at the forthcoming Annual General Meeting.

By order of the Board of Management

Signature

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**Craig Edward
Chair**

Date: 23 August 2022

DALMUIR PARK HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE BOARD OF MANAGEMENT OF DALMUIR PARK HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH 2022

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

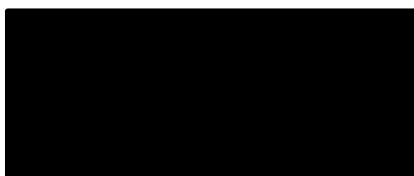
Basis of Opinion

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on pages 7 and 8 has provided the disclosures required by the relevant Regulatory Standards with the publication "Our Regulatory Framework" and associated Regulatory Advice Notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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



French Duncan LLP

Chartered Accountants & Statutory Auditor
133 Finnieston Street
GLASGOW
G3 8HB

Date: 29 August 2022

DALMUIR PARK HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS REPORT TO THE BOARD OF MANAGEMENT OF DALMUIR PARK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2022

OPINION

We have audited the financial statements of Dalmuir Park Housing Association Limited for the year ended 31 March 2022 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Financial Statements;

- Give a true and fair view of the state of the Association's affairs at 31 March 2022 and of its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom generally accepted accounting practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, the Statement of Recommended Practice – Housing 2018 (the SORP) and the Determination of Accounting Requirements 2019.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

The other information comprises the information contained in the trustees' report, other than the financial statements and our auditor's report thereon. The board members are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTER ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF COMMITTEE MEMBERS

As explained more fully in the Board of Management's responsibilities statement set out on pages 6 and 7, the committee members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management are responsible for assessing the housing association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee members either intend to liquidate the housing association or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the housing association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.

- Conclude on the appropriateness of the Boards' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the housing association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the responsible individual ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the association through discussions with management and board of management members and from our sector knowledge and expertise;
- we focused on specific laws and regulations, including those specified by the Scottish Housing Regulator, which we considered may have a direct material effect on the financial statements or the operations of the association, including the Co-operative and Community Benefits Societies Act 2014, Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice for Social Housing Providers 2018 and Determination of Housing Requirements 2019, and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and board of management members; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the association's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and board of management members as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed high level analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing internal audit reports prepared during the year;
- enquiring of management and board of management members as to actual and potential litigation and claims;
- reviewing correspondence with Scottish Housing Regulator.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the management committee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

USE OF OUR REPORT

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



French Duncan LLP
Chartered Accountants and Statutory Auditor
133 Finnieston Street
GLASGOW
G3 8HB

Date: 29 August 2022

DALMUIR PARK HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	£	2022 £	£	2021 £
REVENUE	2		4,125,490		3,883,455
Operating Costs	2		(3,500,870)		(3,399,726)
OPERATING SURPLUS	9		624,620		483,729
Loss on Sale of Property, Plant & Equipment	7	(23,828)		(1,761)	
Interest Receivable and Other Income		710		600	
Interest Payable	8	(35,824)		-	
Other Finance Charges	11	(2,000)		-	
			(60,942)		(1,161)
SURPLUS FOR YEAR			563,678		482,568
OTHER COMPREHENSIVE INCOME					
Actuarial gain/(loss) in respect of pension scheme	24		65,000		(162,000)
TOTAL COMPREHENSIVE INCOME			628,678		320,568

The results for the year relate wholly to continuing activities.

The notes on pages 18 to 35 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 March 2022**

	Notes	£	2022 £	£	2021 £
NON-CURRENT ASSETS					
Housing Properties – Depreciated Cost	12 (a)		18,725,470		19,033,437
Other Tangible Fixed Assets	12 (b)		165,223		159,822
			<u>18,890,693</u>		<u>19,193,259</u>
CURRENT ASSETS					
Trade and Other Debtors	14	345,912		303,813	
Cash and Cash Equivalents		5,827,559		2,663,765	
			<u>6,173,471</u>	<u>2,967,578</u>	
CREDITORS: Amounts falling due within one year	15	(680,288)		(703,315)	
			<u>5,493,183</u>		<u>2,264,263</u>
NET CURRENT ASSETS					
			<u>24,383,876</u>		<u>21,457,522</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS: Amounts falling due after one year	16	(3,000,000)			-
Provision for Liabilities	24		-		(105,000)
DEFERRED INCOME					
Social Housing Grants	19(a)		(12,848,083)		(13,439,900)
Other Grants	19(b)		(156,284)		(161,781)
			<u>8,379,509</u>		<u>7,750,841</u>
NET ASSETS					
EQUITY					
Share Capital	20		94		104
Revenue Reserves			<u>8,379,415</u>		<u>7,750,737</u>
			<u>8,379,509</u>		<u>7,750,841</u>

The financial statements were approved by the Board, authorised for issue, and signed on its behalf on


Craig Edward
Chair


Jordan Henderson
Vice-Chair


Anne Marie Brown
Secretary

The notes on pages 18 to 35 form part of these financial statements.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	£	2022 £	£	2021 £
Net Cash Inflow from Operating Activities	17		882,135		896,657
Investing Activities					
Purchase of Other Fixed Assets		(80,769)		(8,925)	
Purchase of Component Installations		(496,709)		(135,251)	
Purchase of Housing Properties		(105,750)		(58,750)	
Net Cash Outflow from Investing Activities			<u>(683,228)</u>		<u>(202,926)</u>
Financing Activities					
Interest Received		710		600	
Interest Paid on Loans		(35,824)		-	
Loan Principal Repayments		-		-	
Debt Drawdown		3,000,000		-	
Share Capital Issued		1		6	
Net Cash Inflow from Financing			<u>2,964,887</u>		<u>606</u>
Increase in Cash & Cash Equivalents			3,163,794		694,337
Opening Cash & Cash Equivalents			<u>2,663,765</u>		<u>1,969,428</u>
Closing Cash & Cash Equivalents			<u>5,827,559</u>		<u>2,663,765</u>

The notes on pages 18 to 35 form part of these financial statements.

DALMUIR PARK HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY 31 MARCH 2022

	Share Capital £	Revenue Reserve £	Total £
Balance as at 31 March 2021	104	7,750,737	7,750,841
Issue of Shares	1		1
Cancelled in the year	(11)		(11)
Surplus for the year		563,678	563,678
Other comprehensive income		65,000	65,000
Balance as at 31 March 2022	<u>94</u>	<u>8,379,415</u>	<u>8,379,509</u>

	Share Capital £	Revenue Reserve £	Total £
Balance as at 31 March 2020	115	7,430,169	7,430,284
Issue of Shares	6	-	6
Cancelled in the year	(17)		(17)
Surplus for the year		482,568	482,568
Other Comprehensive Income	-	(162,000)	(162,000)
Balance as at 31 March 2021	<u>104</u>	<u>7,750,737</u>	<u>7,750,841</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Legal Status

The Association is incorporated under the Co-operative and Community Benefits Societies Act 2014 and is registered by the Financial Conduct Authority. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

Basis of Accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for Social Housing Providers 2018 and comply with the Scottish Housing Regulator Determination of Accounting Requirements (December 2019).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see below). The following principal accounting policies have been applied:

Going Concern

The Board of Management have assessed the Association's ability to continue as a going concern and have reasonable expectations that the Association has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements. The Association has taken into account the recovery from the Covid 19 pandemic in its consideration and is satisfied that the Association has adequate resources to manage the impact of the pandemic on an ongoing basis.

Revenue

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

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

Retirement Benefits

The Association participates in the Scottish Housing Association Defined Benefits Pension Scheme and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

The Association accounts for the pension scheme on a defined benefit basis based on its share of scheme assets and liabilities as determined by the actuary. Defined benefit costs are recognised in the Statement of Comprehensive Income within operating costs. Actuarial gains and losses are recognised in Other Comprehensive Income. Further details are disclosed in the notes to the accounts.

Valuation of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 12. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

Component	Useful Economic Life
Kitchens	15 years
Bathrooms	20 years
Central Heating	15 years
Windows	30 years
Structure	50 & 100 years
Roof Replacements	30 years

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

Depreciation And Impairment Of Other Non-Current Assets

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

Office Premises	6 ⅔% Straight Line
Computers and other Office Equipment	20% Straight Line
Furniture and Fittings	15% Reducing Balance
Furniture for Furnished Accommodations	33 ⅓% Straight Line
Laundry Equipment in Sheltered Accommodations	20% Straight Line

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

Social Housing Grant And Other Grants In Advance/Arrears

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

Social Housing Grant attributed to individual components is written off to the Income and Expenditure Account when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account in the same year as the expenditure to which it relates.

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

Sales Of Housing Properties

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

Disposals of housing property under the Right to Buy scheme are treated as a non-current asset disposals and any gain and loss on disposal accounted for in the Statement of Comprehensive Income.

Disposals under shared equity schemes are accounted for in the Statement of Comprehensive Income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Board of Management to exercise judgement in applying Dalmuir Park Housing Association's Accounting Policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, is disclosed below:

Rent Arrears - Bad Debt Provision

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

Life Cycle of Components

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

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

Pension Liabilities

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate. Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependant on circumstances at the date of valuation.

Leases/Leased Assets

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

Works to Existing Properties

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

Development Interest

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

Key Judgements made in the application of Accounting Policies

a) The Categorisation of Housing Properties

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

b) Identification of cash generating units

The Association considers its cash-generating units to be 665 in which it manages its housing property for asset management purposes.

c) Pension liability

In May 2022 the Association received details from the Pension Trust of its share of assets, liabilities and scheme deficit. The Association has used this information as the basis of the pension defined benefit disclosed in the accounts.

Financial Instruments – Basic

The Association only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like rents, accounts receivable and payable, loans from banks and related parties. These are recognised in accordance with Section 11 of Financial Reporting Standard 102. The Association's debt instruments are measured at amortised cost using the effective interest rate method.

2. PARTICULARS OF REVENUE, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	Notes	2022			2021		
		Revenue	Operating Costs	Operating Surplus	Revenue	Operating Costs	Operating Surplus
		£	£	£	£	£	£
Social Lettings	3	3,530,209	2,926,296	603,913	3,389,161	2,887,753	501,408
Other Activities	4	595,281	574,574	20,707	494,294	511,973	(17,679)
Total		<u>4,125,490</u>	<u>3,500,870</u>	<u>624,620</u>	<u>3,883,455</u>	<u>3,399,726</u>	<u>483,729</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing £	Supported Housing £	Shared ownership £	2022 Total £	2021 Total £
Revenue from Lettings					
Rent Receivable Net of Identifiable Service Charges	2,260,210	257,710	38,464	2,556,384	2,499,663
Service Charges Receivable	338,262	29,963	-	368,225	293,607
Gross Rents Receivable	2,598,472	287,673	38,464	2,924,609	2,793,270
Less: Rent losses from voids	(19,807)	(8,376)	-	(28,183)	(27,351)
Net Rents Receivable	2,578,665	279,297	38,464	2,896,426	2,765,919
Amortisation of Social Housing Grants and Other Grants	588,357	-	8,957	597,314	599,014
Revenue Grants from Local Authorities and Other Agencies	36,469	-	-	36,469	24,228
Total Income From Social Letting	3,203,491	279,297	47,421	3,530,209	3,389,161
Expenditure on Social Letting Activities					
Service Costs	275,272	36,889	-	312,161	350,817
Management and maintenance administration costs	946,835	96,049	13,528	1,056,412	999,676
Reactive Maintenance	407,637	56,768	-	464,405	341,040
Bad Debts – Rents and Service Charges	13,443	-	-	13,443	8,040
Planned and Cyclical Maintenance, including Major Repairs	181,685	11,592	-	193,277	307,798
Depreciation of Social Housing	874,007	4,725	7,866	886,598	880,382
Operating Costs of Social Letting	2,698,879	206,023	21,394	2,926,296	2,887,753
Operating Surplus on Social Letting Activities	504,612	73,274	26,027	603,913	501,408
2021	387,009	87,805	26,594	501,408	

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS

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

	Other Revenue Grants	Supporting People Income	Other Income	Total Turnover	Operating Costs Bad Debts	Operating Costs Other	Operating Surplus / (Deficit) 2022	Operating Surplus / (Deficit) 2021
	£	£	£	£	£	£	£	£
Wider Role Activities	83,165	-	1,500	84,665	-	95,349	(10,684)	(15,819)
Care Activities	982	90,082	278,168	369,232	-	344,650	24,582	(14,480)
Factoring	-	-	133,287	133,287	-	105,441	27,846	34,083
Other Activities	-	-	8,097	8,097	-	29,134	(21,037)	(21,463)
Total From Other Activities	84,147	90,082	421,052	595,281	-	574,574	20,707	(17,679)
2021	83,986	90,252	320,056	494,294	235	511,738	(17,679)	

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS

5. COMMITTEE MEMBERS AND OFFICERS EMOLUMENTS

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

No emoluments have been paid to any member of the Board of Management

Aggregate emoluments payable to Key Management Personnel greater than £60,000 (excluding pension contributions)	<u>68,777</u>	<u>68,969</u>
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Emoluments payable to the Chief Executive/Director (excluding pension contributions)	68,777	68,969
Pension Contributions paid on behalf of Chief Executive/ Director	<u>8,119</u>	<u>8,055</u>
Total Emoluments payable to Chief Executive/Director	<u>76,896</u>	<u>77,024</u>

Total number of Officers, including the highest paid Officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:-

£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-

There were payments to board members during the year for reimbursement of expenses of £52 (2021 - £0)

6. EMPLOYEE INFORMATION

	2022	2021
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>25</u>	<u>25</u>
The average total number of Employees employed during the year was	33	33

Staff Costs were:	£	£
Wages and Salaries	773,303	719,587
Social Security Costs	65,836	61,127
Other Pension Costs	70,805	68,481
Agency Staff	<u>65,227</u>	<u>56,704</u>
	<u>975,171</u>	<u>905,899</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS

7. (LOSS) ON SALE OF PROPERTY, PLANT & EQUIPMENT

	2022	2021
	£	£
Cost of Sale	23,828	1,761
(Loss) on Sale	<u>(23,828)</u>	<u>(1,761)</u>

8. INTEREST PAYABLE

	2022	2021
	£	£
On Bank Loans & Overdrafts	<u>35,824</u>	<u>-</u>

9. OPERATING SURPLUS

	2022	2021
	£	£
Surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	961,966	952,336
Housing Association grant release	(591,817)	(591,817)
Commercial grant release	-	(1,700)
Council grant release	(5,497)	(5,497)
Operating Lease Expenditure	672	672
Auditors' Remuneration - Audit Services	<u>9,900</u>	<u>9,202</u>

10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

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

11. OTHER FINANCE CHARGES

	2022	2021
	£	£
Pension - Interest Charge	<u>2,000</u>	<u>-</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS

12. FIXED ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Completed Shared Ownership Properties £	Total £
COST			
As at 1 April 2021	31,844,243	752,323	32,596,566
Additions	602,459	-	602,459
Disposals	(185,385)	-	(185,385)
Transferred	81,169	(81,169)	-
	<u>32,342,486</u>	<u>671,154</u>	<u>33,013,640</u>
As at 31 March 2022			
DEPRECIATION			
As at 1 April 2021	13,379,397	183,732	13,563,129
Charge for Year	878,732	7,866	886,598
Disposals	(161,557)	-	(161,557)
Transferred	7,255	(7,255)	-
	<u>14,103,827</u>	<u>184,343</u>	<u>14,288,170</u>
As at 31 March 2022			
NET BOOK VALUE			
As at 31 March 2022	<u>18,238,659</u>	<u>486,811</u>	<u>18,725,470</u>
As at 31 March 2021	<u>18,464,846</u>	<u>568,591</u>	<u>19,033,437</u>

Total expenditure on existing properties in the year amounted to £1,154,391 (2021 - £784,089). The amount capitalised as component replacements is £496,709 (2021- £135,251), with the balance charged to the Statement of Comprehensive Income. The additions above of £602,459 also include the buy backs of 2 shared ownerships units and the purchase of one additional unit for £105,750.

b) Other Tangible Assets	Office Furniture & Equipment £	Commercial Property £	Total £
COST			
As at 1 April 2021	1,010,859	396,913	1,407,772
Additions	80,769	-	80,769
Eliminated on Disposals	-	-	-
	<u>1,091,628</u>	<u>396,913</u>	<u>1,488,541</u>
As at 31 March 2022			
AGGREGATE DEPRECIATION			
As at 1 April 2021	872,440	375,510	1,247,950
Charge for year	53,965	21,403	75,368
Eliminated on disposal	-	-	-
	<u>926,405</u>	<u>396,913</u>	<u>1,323,318</u>
As at 31 March 2022			
NET BOOK VALUE			
As at 31 March 2022	<u>165,223</u>	<u>-</u>	<u>165,223</u>
As at 31 March 2021	<u>138,419</u>	<u>21,403</u>	<u>159,822</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS

13. COMMITMENTS UNDER OPERATING LEASES

	2022	2021
	£	£
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-		
Not later than one year	672	205
Later than one year and not later than five years	2,688	-
Later than five years	<u>336</u>	<u>-</u>
	<u>3,696</u>	<u>205</u>

14. DEBTORS

	2022	2021
	£	£
Arrears of Rent & Service Charges	327,621	288,749
Less: Provision for Doubtful Debts	<u>(95,140)</u>	<u>(94,000)</u>
Net Rent Arrears	232,481	194,749
Other Receivables	<u>113,431</u>	<u>109,064</u>
	<u>345,912</u>	<u>303,813</u>

15. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade Payables	250,195	264,154
Rent in Advance	89,885	98,562
Other Creditors	327,454	330,476
Accruals	<u>12,754</u>	<u>10,123</u>
	<u>680,288</u>	<u>703,315</u>

16. CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	2022	2021
	£	£
Housing Loans – between one and two years	-	-
– between two and five years	490,676	-
– due after five years	<u>2,509,324</u>	<u>-</u>
	<u>3,000,000</u>	<u>-</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS

17. STATEMENT OF CASHFLOWS

Reconciliation of Surplus to balance as at 31 March 2022

	2022	2021
	£	£
Operating Surplus	624,620	483,729
Depreciation	961,966	952,336
Amortisation of Capital Grants	(597,314)	(599,014)
Change in debtors	(42,099)	36,058
Change in creditors	(23,017)	80,564
Past Service Pension Deficit Contribution	(61,174)	(59,392)
Pension Scheme Service Costs	31,000	23,000
Pension Scheme Valuation Adjustments	(11,836)	(20,607)
Cancelled Shares	(11)	(17)
Balance as at 31 March 2022	<u>882,135</u>	<u>896,657</u>

18. ANALYSIS OF CHANGES IN NET DEBT

	April 2021	Cashflows	March 2022
	£	£	£
Cash and Cash Equivalents			
Cash at Bank	2,663,765	3,163,794	5,827,559
Cash Equivalents	-	-	-
Bank Loans	-	(3,000,000)	(3,000,000)
Net Funds	<u>2,663,765</u>	<u>163,794</u>	<u>2,827,559</u>

19. DEFERRED INCOME

	2022	2021
	£	£
<i>a) Social Housing Grants</i>		
As at 1 April 2021	13,439,900	14,031,717
Additions in year	-	-
Released / Repaid as the result of property disposal	-	-
Amortisation in Year	(591,817)	(591,817)
As at 31 March 2022	<u>12,848,083</u>	<u>13,439,900</u>
 <i>b) Other Grants</i>		
Balance as at 1 April 2021	161,781	168,978
Additions in year	-	-
Released / Repaid as the result of property disposal	-	-
Amortisation in Year	(5,497)	(7,197)
As at 31 March 2022	<u>156,284</u>	<u>161,781</u>

This is expected to be released to the Statement of Comprehensive Income as follows:

Amounts due within one year	597,314	597,314
Amounts due in one year or more	<u>12,407,053</u>	<u>13,004,367</u>
	<u>13,004,367</u>	<u>13,601,681</u>

24. RETIREMENT BENEFIT OBLIGATIONS

General

The Association participates in the Scottish Housing Associations' Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers.

The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005.

This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK. The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m.

A Recovery Plan has been put in place to eliminate the deficit which runs to either 30 September 2022 or 31 March 2023 (depending on funding levels) for the majority of employers, although certain employers have different arrangements. The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme.

Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme. For financial years ending on or before 28 February 2019, it has 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 company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme. For accounting purposes, a valuation of the scheme were carried out with an effective date of 30 September each year.

The liability figures from this valuation were rolled forward for accounting year ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Pension Scheme Liability movements:

	2022	2021
	£	£
As at 1 April 2021	105,000	-
Increase in liability for change in accounting treatment	-	-
Current Service Cost	31,000	23,000
Net Interest expense	2,000	-
Expenses	2,000	1,978
Deficit Contributions Paid	(75,000)	(59,392)
Impact of change in assumptions	(126,000)	317,000
Amendment to the contribution schedule	61,000	(177,586)
As at 31 March 2022	<u>-</u>	<u>105,000</u>

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS

24. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

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

	31 March 2022	31 March 2021
	(£000s)	(£000s)
Fair value of plan assets	1,678	1,546
Present value of defined benefit obligation	1,617	1,651
Surplus (deficit) in plan	61	(105)
Unrecognised surplus	61	-
Defined benefit asset (liability) to be recognised	-	(105)

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	31 March 2022	31 March 2021
	(£000s)	(£000s)
Impact of asset ceiling at start of period	-	53
Effect of the asset ceiling included in net interest cost	-	2
Actuarial losses (gains) on asset ceiling	61	(55)
Impact of asset ceiling at end of period	61	-

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	31 March 2022	31 March 2021
	(£000s)	(£000s)
Defined benefit obligation at start of period	1,651	1,273
Current service cost	31	23
Expenses	2	2
Interest expense	37	30
Contributions by plan participants	16	20
Actuarial losses (gains) due to scheme experience	55	12
Actuarial losses (gains) due to changes in demographic assumptions	5	-
Actuarial losses (gains) due to changes in financial assumptions	(169)	317
Benefits paid and expenses	(11)	(26)
Liabilities acquired in a business combination	-	-
Liabilities extinguished on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Exchange rate changes	-	-
Defined benefit obligation at end of period	1,617	1,651

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS

24. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	31 March 2022 (£000s)	31 March 2021 (£000s)
Fair value of plan assets at start of period	1,546	1,326
Interest income	35	32
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	17	112
Contributions by the employer	75	82
Contributions by plan participants	16	20
Benefits paid and expenses	(11)	(26)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	1,678	1,546

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £52,000

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

	from 31 March 2021 to 31 March 2022 (£000s)	from 31 March 2020 to 31 March 2021 (£000s)
Current service cost	31	23
Expenses	2	2
Net interest expense	2	-
Losses (gains) on business combinations	-	-
Losses (gains) on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	35	25

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS

24. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	31 March 2022 (£000s)	31 March 2021 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	17	112
Experience gains and losses arising on the plan liabilities - gain (loss)	(55)	(12)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(5)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	169	(317)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	126	(217)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	(61)	55
Total amount recognised in other comprehensive income - gain (loss)	65	(162)

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS

24. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

ASSETS	31 March 2022	31 March 2021
	(£000s)	(£000s)
Global Equity	332	239
Absolute Return	77	76
Distressed Opportunities	60	53
Credit Relative Value	54	45
Alternative Risk Premia	69	62
Emerging Markets Debt	62	62
Risk Sharing	55	55
Insurance-Linked Securities	35	32
Property	43	28
Infrastructure	105	86
Private Debt	42	36
Opportunistic Illiquid Credit	56	40
High Yield	16	41
Opportunistic Credit	6	42
Cash	5	1
Corporate Bond Fund	106	117
Liquid Credit	11	27
Long Lease Property	48	36
Secured Income	90	85
Over 15 Year Gilts	1	1
Liability Driven Investment	406	371
Currency Hedging	(6)	-
Net Current Assets	5	11
Total assets	1,678	1,546

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

DALMUIR PARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS

24. RETIREMENT BENEFIT OBLIGATIONS

(Continued)

KEY ASSUMPTIONS

	31 March 2022	31 March 2021
	% per annum	% per annum
Discount Rate	2.77	2.22
Inflation (RPI)	3.42	3.21
Inflation (CPI)	3.12	2.87
Salary Growth	4.12	3.87
Allowance for commutation of pension for cash at retirement 75% of maximum allowance 75% of maximum allowance		

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

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

Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependant on circumstances at the date of valuation.

25. CAPITAL COMMITMENTS

	2022	2021
	£	£
Capital expenditure which has been contracted for but has not been provided for in the financial statements	-	92,000
Capital expenditure which has been authorised by the Board of Management but is not contracted	-	-
Funded by:		
Reserves	—	92,000

26. CONTINGENT LIABILITY

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and that matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact of the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.