

ORKNEY HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2022

RSL No	HAL 164
Charity No	SC 031734

ORKNEY HOUSING ASSOCIATION
REPORT AND FINANCIAL STATEMENTS
for the year ended 31 March 2022

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ORKNEY HOUSING ASSOCIATION

MEMBERS, EXECUTIVE AND ADVISORS

Management Committee

Wendy Baikie (deceased 23.3.22)
Philip Cook
David Dawson
Linda Forbes
Fiona Lettice (Chair)
John Rodwell
Jason Taylor (resigned 31.1.22)
William Wallace (Vice Chair)
John White
Roella Wilson

Registered Office

39a Victoria Street,
Kirkwall,
Orkney.
KW15 1DN

Registered Auditors

Wylie & Bisset (Audit) Limited
168 Bath Street,
Glasgow
G2 4TP

Bankers

Royal Bank of Scotland,
1 Victoria Street,
Kirkwall.
KW15 1DP

Chief Executive

Craig Spence

Company Secretary

Mhairi Hughes

Company Registration

2201RS

Scottish Charity Number

SC031734

Solicitors

TC Young
7 West George Street,
Glasgow.
G2 1BA

ORKNEY HOUSING ASSOCIATION

REPORT OF THE MANAGEMENT COMMITTEE

for the year ended 31 March 2022

The Management Committee presents its report and the audited financial statements for the year ended 31 March 2022.

Principal Activity

The principal activity of the Association is the provision of rented and low cost home ownership accommodation.

Review of Business and Future Developments

The Association has the following corporate objectives for 2021/22:

- Great place to work,
- Great customer service, and
- Great contribution to community and society.

During the year the Association completed the construction of 20 rented properties at The Crafty, Kirkwall and Kirk Park, Orphir and commenced construction of a further 22 rented and 6 New Supply Shared Equity properties at Walliwall, Kirkwall. We have continued to partner with other agencies to encourage energy efficiency amongst our residents. In order to develop our business and improve our services we will continue to focus on:

- Continuing a sustainable development programme
- Keeping our rents affordable
- Supporting and developing our staff
- Providing quality services to our residents

Changes in Fixed Assets

Details of fixed assets are set out in Note 10.

Going Concern

After reviewing detailed Income and Expenditure and Business Plan projections, and taking account of available bank facilities as well as making such further enquiries as they consider appropriate, the Management Committee is satisfied that the Association has adequate resources to continue to operate for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

The Management Committee and Chief Executive

The Management Committee and Chief Executive of the Association are listed on page 2.

Each elected member of the Management Committee holds one fully paid share of £1 in the Association. The Chief Executive of the Association holds no interest in the Association's share capital and although not having the legal status of Director acts as an executive within the authority delegated by Management Committee.

Related Party Transactions

Any tenant who sits on the Management Committee enters into a tenancy on the Association's normal terms and conditions and cannot use this position to their advantage. The same position applies to any sharing owner in respect of their exclusive occupancy agreement.

Charitable Status

Orkney Housing Association Limited was recognised by the Inland Revenue as a Scottish Charity from 30 May 2001.

Statement of Management Committee's Responsibilities

Housing Association legislation requires the Management Committee 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 income and expenditure of the Association for the year ended on that date. In preparing those financial statements the Management Committee 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;
- * Comply with the disclosures required by the Scottish Housing Regulator's Regulatory Framework;
- * Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association.

The Management Committee is 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.

Statement on Internal Financial Controls

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

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

It is the Management Committee'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 include ensuring that:

- (i) Formal policies and procedures are in place including the documentation of key systems and rules relating to the delegation of authorities which allow the monitoring of controls and restrict the unauthorised use of the Association's assets.
- (ii) Experienced and suitably qualified staff take responsibility for important business functions.

ORKNEY HOUSING ASSOCIATION

REPORT OF THE MANAGEMENT COMMITTEE (continued)

for the year ended 31 March 2022

Statement on Internal Financial Controls (continued)

- (iii) Forecasts and budgets are prepared which allow Management Committee and Executive Officers to monitor the key business risks and financial objectives and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information, and significant variances from budgets are investigated as appropriate.
- (iv) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through the Management Committee.
- (v) The Management Committee reviews reports from the Audit and Risk Management Sub-Committee, from internal management and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association.
- (vi) The Audit and Risk Management Sub-Committee reviews internal audit reports based on an internal audit needs assessment and an agreed programme undertaken by an external provider.
- (vii) Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2022 and until 31 August 2022. 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.

In so far as the Committee are aware:

There is no relevant audit information needed by the Association's auditors in connection with preparing their report of which the Association's auditors are unaware.

The Committee have taken all the steps that they ought to have taken to make themselves aware of such information.

Auditors

Wylie and Bisset have expressed their willingness to continue as the auditors of the Association.

By order of Management Committee



Fiona Lettice
Chairperson

31 August 2022

REPORT OF THE AUDITORS TO ORKNEY HOUSING ASSOCIATION LIMITED

TO THE MEMBERS OF ORKNEY HOUSING ASSOCIATION

Opinion

We have audited the financial statements of Orkney Housing Association (the 'Association') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Communities Benefit Societies Act 2014, the Housing (Scotland) Act 2010, and the Determination of Accounting Requirements 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Management Committee are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

REPORT OF THE AUDITORS TO ORKNEY HOUSING ASSOCIATION LIMITED

TO THE MEMBERS OF ORKNEY HOUSING ASSOCIATION (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Committee's Report. 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:

- The information given in the Report of the Management Committee is inconsistent with the Financial Statements;
- Proper books of accounts have not been kept by the Association in accordance with the requirements of the legislation;
- A satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirement of the legislation;
- The financial statements are not in agreement with the books of accounts; or
- We have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.

Responsibilities of the Management Committee

As explained more fully in the Report of the Management Committee set out on pages 3 to 5, the Management Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

REPORT OF THE AUDITORS TO ORKNEY HOUSING ASSOCIATION LIMITED

TO THE MEMBERS OF ORKNEY HOUSING ASSOCIATION (continued)

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:

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures in response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following:

- *The nature of the association and the industry, control environment and business performance including performance targets; and*
- *Our enquiries of management about their identification and assessment of the risks of irregularities.*

Based on our understanding of the association and the industry we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- *Regulations and legislation pertinent to the company's industry operations including compliance with the Scottish Housing Regulator; and*
- *UK tax legislation.*

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- *Posting inappropriate journal entries; and*
- *Management bias in accounting estimates.*

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following:

- *Gaining an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates including the requirements of the Scottish Housing Regulator;*
- *Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;*
- *Enquiring of management and legal advisors concerning actual and potential litigation and claims;*
- *Reviewing correspondence with HMRC;*
- *In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments' assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and, evaluating business rationale of any significant transactions that are unusual or outside the normal course of business.*

REPORT OF THE AUDITORS TO ORKNEY HOUSING ASSOCIATION LIMITED

TO THE MEMBERS OF ORKNEY HOUSING ASSOCIATION (continued)

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would be to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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



Wylie & Bisset (Audit) Limited
Statutory Auditor
Chartered Accountants
168 Bath Street,
Glasgow G2 4TP

Date: 31 August 2022

REPORT OF THE AUDITORS TO ORKNEY HOUSING ASSOCIATION LIMITED

ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the financial statements, we have reviewed your statement on pages 4 and 5 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator.

Basis of opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on pages 4 and 5 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through 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 Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



Wylie & Bisset (Audit) Limited
Statutory Auditor
Chartered Accountants
168 Bath Street,
Glasgow G2 4TP

31 August 2022

ORKNEY HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2022

		2022	2021
	Notes	£	£
Turnover - continuing activities	2	5,403,171	5,553,302
Less: Operating costs	2	(3,781,950)	(3,437,183)
Operating surplus - continuing activities		1,621,221	2,116,119
Gain on disposal of fixed assets	24	98,255	62,590
Interest receivable		8,704	5,283
Interest payable and financing costs	8	(604,561)	(605,451)
Surplus before tax		1,123,619	1,578,541
Taxation	9	0	0
Surplus for the year		1,123,619	1,578,541
Actuarial gain/(loss) in respect of pensions schemes	23	334,444	(623,431)
Total comprehensive income for the year		1,458,063	955,110

In each of the years ended 31 March 2022 and 31 March 2021 the only gain or loss recognised by the Association was the surplus or deficit for the year. All of the activities undertaken by the Association were continuing activities, and the reported surplus or deficit was determined under the historical cost convention.

The notes on pages 15 to 32 form part of these financial statements.

ORKNEY HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2022

		2022	2021
	Notes	£	£
Tangible Fixed Assets			
Housing properties	10	88,052,629	85,705,482
Other assets	10	1,268,400	1,383,268
		<u>89,321,029</u>	<u>87,088,750</u>
Fixed Asset Investments			
Investments	11	1	200,001
Shared equity costs	11	1,871,369	1,871,369
Shared equity grants	11	(1,871,369)	(1,871,369)
		<u>1</u>	<u>200,001</u>
Current Assets			
Investments	12	1,275,000	1,020,000
Work-in-progress	13	650,434	217,320
Trade and other debtors	14	650,917	1,064,222
Stock		54,295	38,930
Cash at bank and in hand		3,924,124	4,087,045
		<u>6,554,770</u>	<u>6,427,517</u>
Creditors: amounts falling due within one year	16	<u>(3,114,606)</u>	<u>(2,434,848)</u>
Net current assets		<u>3,440,164</u>	<u>3,992,669</u>
Total assets less current liabilities		92,761,194	91,281,420
Creditors: amounts falling due after more than one year			
Long term loans	17	(18,484,727)	(19,345,621)
Deferred income – capital grants	18	(62,571,516)	(61,214,381)
Pension - defined benefit liability	23	(40,938)	(515,464)
		<u>11,664,013</u>	<u>10,205,954</u>
Net assets		<u>11,664,013</u>	<u>10,205,954</u>
Capital and Reserves			
Share capital	19	70	74
Revenue reserve	20	11,663,943	10,205,880
		<u>11,664,013</u>	<u>10,205,954</u>

The financial statements on pages 11 to 32 were approved by the Management Committee on 31 August 2022 and were signed on its behalf by:

..... Chairperson

..... Committee member

..... Secretary

ORKNEY HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN RESERVES

for the year ended 31 March 2022

	Share Capital	Income & Expenditure Reserve	Revaluation Reserve	Total
	£	£	£	£
At 1 April 2021	74	10,205,880	0	10,205,954
Surplus for the year	0	1,458,063	0	1,458,063
Revaluation of tangible fixed assets	0	0	0	0
Total comprehensive income	74	11,663,943	0	11,664,017
Share capital cancelled	(6)	0	0	(6)
Share capital issued	2	0	0	2
At 31 March 2022	70	11,663,943	0	11,664,013

ORKNEY HOUSING ASSOCIATION LIMITED

STATEMENT OF CASHFLOWS

for the year ended 31 March 2022

	Notes	2022	2021
		£	£
Net cash generated from operating activities (see below)		2,150,219	2,279,888
Cash flow from investing activities			
Purchase of tangible fixed assets		(4,557,201)	(1,385,238)
Proceeds from sale of tangible fixed assets		932,414	672,202
Grants received (net)		3,042,519	339,477
Interest received		4,545	3,277
Cash flow from financing activities			
Interest paid		(527,972)	(531,218)
New secured loans		0	2,000,000
Repayment of borrowings		(952,445)	(720,316)
Net change in cash and cash equivalents		92,079	2,658,072
Cash and cash equivalents at beginning of year		5,107,045	2,448,973
Cash and cash equivalents at end of year		5,199,124	5,107,045
Cash inflow from operating activities			
Surplus for the year		1,458,063	955,110
Adjustments for non-cash items:			
Depreciation/amortisation charges		419,726	340,793
(Increase)/Decrease in stock		(15,365)	240
(Increase)/Decrease in trade debtors		(15,710)	11,255
Increase/(Decrease) in trade and other creditors		263,649	(85,876)
Pension costs less contributions payable		(474,526)	488,972
Carrying amount of fixed asset disposals (net)		903,745	616,160
Proceeds from sale of fixed assets		(1,002,000)	(678,750)
Share capital written off		(4)	(4)
Interest payable		604,561	605,461
Interest receivable		(8,704)	(5,283)
Services equalisation account		20,098	17,649
Charge to service provisions		(3,314)	14,161
Net cash inflow from operating activities		2,150,219	2,279,888

1. **Principal Accounting Policies**

The Financial Statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice for social housing providers 2018 (SORP 2018) and the Scottish Housing Regulator's Determination of Accounting Requirements 2019. The financial statements are prepared in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £.

Basis of Accounting

Orkney Housing Association Limited meets the definition of a public benefit entity under FRS 102.

A summary of the more important accounting policies, which have been applied consistently is set out below:

Turnover

Turnover represents rental and service charge income, revenue grants receivable from Scottish Ministers and first tranche sales of low cost home ownership properties.

Mortgages - Housing Properties

Mortgage loans are advanced by private lenders under the terms of mortgages secured over the Association's housing properties. A programme funding agreement will be secured with a lender to provide loan facilities for future developments. Advances will be drawn down on this facility only in respect of those developments which have been given approval for Affordable Housing Supply Programme (AHSP) grant (previously Housing Association Grant (HAG)) or other funding by the Scottish Government.

Housing Association Grant

For schemes developed under Scottish Government approval, AHSP (previously HAG) is paid directly to the Association as required, to meet its liabilities during the development process. AHSP/HAG is repayable under certain circumstances, primarily following the sale of property.

Grants for capital expenditure are disclosed as deferred income and amortised over the useful lives of the components to which they relate (see below). Grants for revenue expenditure are credited to the Statement of Comprehensive Income as they become receivable.

Grants attributed to individual components are written off to the Statement of Comprehensive Income when these components are replaced. Component replacement is not deemed to create a relevant event for repayment or recycling purposes. Upon disposal of the associated property, the Association will be required to repay or recycle the grant, and to reflect this, a contingent liability has been disclosed.

Tangible Fixed Assets - Housing Properties (Note 10)

Housing properties are stated at cost. The development costs of housing properties funded with AHSP, traditional HAG or under earlier funding arrangements include the following:

- i) Cost of acquiring land and buildings
- ii) Development expenditure
- iii) Interest charged on the development loan funds drawn to finance construction, up to the date of completion.

Note 1 (continued)

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

Works to Existing Properties

Works to existing properties which replace a component which has been treated separately for depreciation purposes, and those works which result in an increase in net rental income over the lives of the properties (thereby enhancing the economic benefits of the assets), are capitalised as improvements. Works to existing properties which do not result in the enhancement of economic benefits are charged to the Statement of Comprehensive Income.

Work in Progress/Shared Equity Properties

New Supply Shared Equity scheme

Grants are received from Scottish Ministers for the construction of properties under the New Supply Shared Equity scheme. Whilst under construction, the cost is recorded within current assets and corresponding grants shown in current liabilities. Once sales are made, the sales proceeds and related cost will be released to the Statement of Comprehensive Income.

Shared Ownership

Properties constructed for shared ownership are part funded by the Scottish Government. Prior to completion and sale, the estimated cost element relating to the first tranche sales is included in current assets as work-in-progress. When the first tranche is sold this cost element is taken to cost of sales within the Statement of Comprehensive Income, along with any adjustment required relating to the actual percentage sold. Income from first tranche sales is included within turnover.

Depreciation

No depreciation is charged on housing properties held under shared ownership because it is felt that the residual values of the properties are sufficiently high that any depreciation charged would be immaterial.

The major components of rented housing properties are depreciated over their useful lives as follows:

Kitchens	-	20 years
Windows	-	33½ years
Roofs	-	50 years
Structure (new build)	-	100 years
Structure (rehabilitated properties)	-	80 years

Other fixed assets are depreciated as follows:

Furniture & Equipment	-	25% per annum reducing balance method
Fixtures & Fittings	-	25% per annum reducing balance method
Tradesmen Van	-	25% per annum reducing balance method
Tradesmen Tools	-	25% per annum reducing balance method
Computers Hardware	-	25% per annum straight line method
Aareon Software	-	8½% per annum straight line method
Other Software	-	25% per annum straight line method
Workshop Improvements	-	21% per annum straight line method
Office Buildings	-	1¼% per annum straight line method

Note 1 (continued)

A full year's depreciation is charged on these assets in the year of purchase and none in the year of disposal.

Pensions

The Association is a member of the SHAPS multi-employer defined benefit pension scheme. Although contributions to the defined benefit scheme were discontinued on 31 March 2017, the Association still has a share of the scheme assets and liabilities. As sufficient information about the Association's share of these assets and liabilities became available from 1 April 2018, it is now possible for the Association to disclose its share of the fair value of the scheme's net assets, the present value of its defined benefit liability and its net defined benefit pension liability. From 1 April 2017 the Association only offers membership of the SHAPS defined contribution pension scheme.

Subsidiary

The subsidiary OHAL Enterprises CIC is still a dormant company as at 31 March 2022 and accordingly the Association has not prepared consolidated financial accounts.

Judgements in applying policy and key sources of estimation uncertainty

Useful lives of property, plant, and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being considered.
The obligations under the SHAPs pension scheme	This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate.

2. Particulars of turnover, cost of sales, operating costs and operating surplus or deficit

	Turnover	Cost of sales	Operating costs	2022 Operating surplus/ (deficit)	2021 Operating surplus/ (deficit)
	£	£	£	£	£
Social lettings (note 3)	5,013,702	0	3,390,889	1,622,813	2,119,456
Other activities (note 4)	389,469	0	391,061	(1,592)	(3,337)
Total	5,403,171	0	3,781,950	1,621,221	2,116,119
Total for previous period of account	5,553,302	0	3,437,183		2,116,119

for the year ended 31 March 2022

3. Particulars of turnover, operating costs and operating surplus from social letting activities

	General Needs	Shared Ownership	Supported Housing	2022 Total	2021 Total
	£	£	£	£	£
Rent receivable net of service charges	3,609,112	331,431	43,453	3,983,996	3,957,238
Service charges	177,141	0	1,783	178,924	181,724
Gross income from rents and service charges	3,786,253	331,431	45,236	4,162,920	4,138,962
Less voids	(7,938)	0	0	(7,938)	(5,507)
Net income from rents and service charges	3,778,315	331,431	45,236	4,154,982	4,133,455
Grants from Scottish Ministers	18,967	0	5,020	23,987	11,080
Grants released from deferred income	745,297	0	5,311	750,608	762,391
Other grants and miscellaneous income	72,608	10,826	691	84,125	290,175
Total income from social lettings	4,615,187	342,257	56,258	5,013,702	5,197,101
Operating costs on social letting activities					
Service costs	177,258	0	1,666	178,924	181,724
Management administration costs	639,216	104,724	6,021	749,961	814,733
Maintenance administration costs	537,549	0	4,908	542,457	492,721
Reactive maintenance costs	439,369	926	3,114	443,409	375,173
Planned and cyclical maintenance costs	353,388	7	182	353,577	75,030
Property improvements & adaptations	79,988	0	4,564	84,552	103,655
Bad debts – rents and service charges	(200)	(153)	(8)	(361)	6,082
Depreciation of social housing	1,029,581	0	8,789	1,038,370	1,028,527
Total operating costs on social lettings	3,256,149	105,504	29,236	3,390,889	3,077,645
Operating surplus on social lettings	1,359,038	236,753	27,022	1,622,813	2,119,456
Operating surplus on social lettings for previous period of account	1,817,700	274,672	27,084		2,119,456

4. Particulars of turnover, operating costs and operating deficit from other activities

	Grants from Scottish Ministers	Other Income	Total Turnover	Other operating costs	Operating surplus/ (deficit)	Operating surplus/ (deficit) for previous period of account
	£	£	£	£	£	£
Wider role	0	43,438	43,438	47,329	(3,891)	(8,275)
Factoring	0	39,636	39,636	39,882	(246)	(292)
Care and Repair Services	0	301,714	301,714	301,714	0	0
Development and construction of property	0	0	0	0	0	0
Development administration	0	918	918	953	(35)	(1,727)
Other agency/ management services	0	0	0	0	0	0
Other activities	0	3,763	3,763	1,183	2,580	6,957
Total from other activities		389,469	389,469	391,061	(1,592)	(3,337)
Total from other activities for the previous period of account	0	356,201	356,201	359,538	(3,337)	

5. Key Management Personnel Emoluments

As per the Scottish Housing Regulator's Determination of Accounting Requirements 2014, disclosure of key management personnel's emoluments exceeding £60,000 per annum is required.

The key management personnel are defined as (a) the Management Committee, who can only receive expenses and, in certain circumstances, compensation for loss of earnings, and (b) the members of the Association's Leadership Team.

There was one officer with emoluments of £60,000 or more excluding employer's pension contributions during the period of account.

A salary sacrifice scheme was re-introduced with effect from 1.10.21

	2022	2021
	£	£
The emoluments of the Chief Executive:		
Excluding pension contributions	53,580	74,733
Employer's Pension contributions	<u>32,143</u>	<u>7,337</u>
Total emoluments payable	<u>85,723</u>	<u>82,070</u>

The Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2022

6. Employee Information

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

	2022	2021
Office Staff	27	27
Tradesmen	7	7
Cleaners	1	1
	<u>35</u>	<u>35</u>
Full-time equivalent	<u>31</u>	<u>33</u>

	2022 £	2021 £
Staff costs (including directors' emoluments);		
Wages and salaries	1,036,137	1,137,647
Social security costs	99,491	116,720
Pension costs (Note 23)	347,539	254,981
Temporary staff	0	6,832
	<u>1,483,167</u>	<u>1,516,180</u>

Pension costs in 2021/22 includes £138,486 (2021 - £134,453) lump sum contributions towards past service deficit.

7. Operating Surplus

	2022 £	2021 £
Operating surplus is stated after charging/(crediting):		
Depreciation	1,185,613	1,107,001
Amortisation	(750,670)	(762,391)
Direct repair costs: reactive, planned and cyclical	614,924	287,840
Auditor's remuneration		
- In their capacity as auditors (including expenses)	9,900	9,000
- In their capacity as financial advisers	720	660

8. Interest payable and financing costs

	2022 £	2021 £
On loans repayable wholly or partly in more than 5 years	594,953	593,654
Non-utilisation fees	0	11,797
Interest expense on defined benefit pension	9,608	0
Administration fees on interest-free loans	0	0
	<u>604,561</u>	<u>605,451</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2022

9. Taxation

The Association was granted charitable status for taxation purposes with effect from 30 May 2001.

10. Tangible Fixed Assets

Housing Properties	Completed		Under Construction		Total
	Rented	SO	Rented	SO	
	£	£	£	£	£
Gross Cost					
At 1 April 2021	81,978,223	13,490,307	4,047,536	0	99,516,066
Schemes completed	3,440,589	0	(3,440,589)	0	0
Adjustment	106,906	(106,906)	0	0	0
Additions	161,431	0	4,015,652	0	4,177,083
Disposals	(72,118)	(737,491)	0	0	(809,609)
At 31 March 2022	85,615,031	12,645,910	4,622,599	0	102,883,540
Depreciation					
At 1 April 2021	13,810,584	0	0	0	13,810,584
Charge for year	1,038,370	0	0	0	1,038,370
Adjustment re disposals	(18,043)	0	0	0	(18,043)
At 31 March 2022	14,830,911	0	0	0	14,830,911
Net book value at:					
31 March 2022	70,784,120	12,645,910	4,622,599	0	88,052,629
31 March 2021	68,167,639	13,490,307	4,047,536	0	85,705,482

The adjustments relate to an exercise to adjust shared ownership balances to match those agreed with the Scottish Government.

for the year ended 31 March 2022

10. **Tangible Fixed Assets** (continued)

Development administration costs capitalised amounted to £39,990 (2021 - £25,517). Interest costs capitalised amounted to £4,312 (2021 - £0).

Total expenditure on works to existing properties amounted to £775,689 during the year (2021 - £291,693), of which £160,765 was capitalised (2021 - £3,853).

	Office Buildings	Office fixtures, fittings, furniture & equipment	Handymen vans and tools etc	Total
	£	£	£	£
Cost				
At 1 April 2021	1,232,696	477,067	181,454	1,891,217
Additions	0	3,744	31,394	35,138
Disposals	0	(756)	(19,189)	(19,945)
At 31 March 2022	1,232,696	480,055	193,659	1,906,410
Depreciation				
At 1 April 2021	137,273	242,271	128,158	507,702
Charge for year	13,221	113,344	20,678	147,243
Adjustment re disposals	0	(369)	(16,751)	(17,120)
At 31 March 2022	150,494	355,246	132,085	637,825
Grants				
At 1 April 2021	0	90	157	247
Amortisation	0	(23)	(39)	(62)
Adjustment re disposals	0	0	0	0
At 31 March 2022	0	67	118	185
Net book value				
At 31 March 2022	1,082,202	124,742	61,456	1,268,400
At 31 March 2021	1,095,423	234,706	53,139	1,383,268

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2022

11. Fixed Asset Investments

	Subsidiary	Shared Equity	Investment Property	Total
Cost	£	£	£	£
At 1 April 2021	1	1,871,369	200,000	2,071,370
Additions	0	0	0	0
Disposals	0	0	(200,000)	(200,000)
At 31 March 2022	1	1,871,369	0	1,871,370
Grants				
At 1 April 2021	0	1,871,369	0	1,871,369
Additions	0	0	0	0
At 31 March 2022	0	1,871,369	0	1,871,369
Net book value				
At 31 March 2022	1	0	0	1
At 31 March 2021	1	0	200,000	200,001

The wholly owned subsidiary OHAL Enterprises CIC was dormant during the year to 31 March 2022.

12. Investments

Investment at 31 March 2022 amounted to £1,275,000 (2021 - £1,020,000), comprising 15 (2021 – 12) £85,000 fixed term deposit and notice accounts at various rates and terms invested on the Flagstone deposit platform.

13. Work-in-progress

	Shared Ownership	Shared Equity etc	Total
	£	£	£
Opening WIP	0	217,320	217,320
Additions	0	433,114	433,114
Disposals	0	0	0
Closing WIP	0	650,434	650,434

14. Debtors

	2022 £	2021 £
Rent arrears	117,308	128,084
Interest receivable	8,611	4,452
Capital grants	332,007	765,181
Other debtors and prepayments	192,991	166,505
	<u>650,917</u>	<u>1,064,222</u>

Other debtors are stated net of a provision for bad debts of £8,000 (2021 - £6,000).

ORKNEY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2022

15. Rents

	2022	2021
	£	£
Gross arrears	131,308	143,084
Provision for bad debts	(14,000)	(15,000)
Net arrears	117,308	128,084

16. Creditors: amounts falling due within one year

	2022	2021
	£	£
Rent in advance	59,718	52,658
HAG repayable	160,906	61,201
Loan instalments due and payable - housing	833,989	848,952
Loan instalments due and payable – other loans	90,036	90,036
Capital expenditure	630,311	614,294
Capital grants received in advance	617,844	319,279
Taxation and social security creditor	37,369	61,220
Care and Repair working capital	86,859	23,298
Shared ownership factoring sinking fund	183,856	163,758
Services equalisation accounts	18,270	21,584
Other creditors and accruals	395,448	178,568
	3,114,606	2,434,848

17. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Housing loans	18,124,384	18,895,242
Other loans	360,343	450,379
	18,484,727	19,345,621

Housing loans are secured by specific charges on the Association's properties and repayable at varying rates of interest in instalments due as follows:

	2022	2021
	£	£
Within one year	833,989	848,952
Between one and two years	844,868	829,208
Between two and five years	7,684,723	7,559,848
In five years or more	9,594,792	10,506,185
	18,958,372	19,744,193

for the year ended 31 March 2022

17. Creditors: amounts falling due after more than one year (continued)

Other loans are unsecured and repayable as follows:

	2022 £	2021 £
Within one year	90,036	90,036
Between one and two years	90,036	90,036
Between two and five years	90,036	90,036
In five years or more	180,272	270,307
	450,380	540,415

18. Deferred income – Capital Grants**Scottish Government Grants**

	Completed		Under Construction		Total
	Rented £	SO £	Rented £	SO £	£
At 1 April 2021	56,927,825	9,566,565	3,859,718	0	70,354,108
Schemes completed	1,305,306	0	(1,305,306)	0	0
Adjustment	7,933	(7,933)	0	0	0
Additions	762,430	0	1,984,942	0	2,747,372
Disposals	(53,184)	(577,344)	0	0	(630,528)
At 31 March 2022	58,950,310	8,981,288	4,539,354	0	72,470,952

Other Grants

At 1 April 2021	1,731,428	122,432	0	0	1,853,860
Adjustment	25,656	(25,656)	0	0	0
Additions	0	0	0	0	0
Written down	0	0	0	0	0
Disposals	(225)	(8,876)	0	0	(9,101)
At 31 March 2022	1,756,859	87,900	0	0	1,844,759

Amortisation

At 1 April 2021	10,993,587	0	0	0	10,993,587
Charge for year	750,608	0	0	0	750,608
At 31 March 2022	11,744,195	0	0	0	11,744,195

Net book value at:

31 March 2022	48,962,974	9,069,188	4,539,354	0	62,571,516
31 March 2021	47,665,666	9,688,997	3,859,718	0	61,214,381

The adjustments relate to an exercise to adjust shared ownership balances to match those agreed with the Scottish Government.

19. Share Capital

	2022	2021
	£	£
At 1 April 2021	74	78
Issued in year	2	1
Cancelled in year	(6)	(5)
At 31 March 2022	<u>70</u>	<u>74</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distribution on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

20. Reconciliation of movement in revenue reserve

	2022	2021
	£	£
Revenue reserve brought forward	10,205,880	9,250,770
Surplus for the year	1,458,063	955,110
Revenue reserve carried forward	<u>11,663,943</u>	<u>10,205,880</u>

21. Capital commitments

	2022	2021
	£	£
Capital expenditure which has been contracted for but has not been provided for in the financial statements:	<u>2,130,522</u>	<u>4,937,838</u>
Capital expenditure which has been authorised but not contracted for or provided for in the financial statements:	<u>290,000</u>	<u>230,051</u>

22. Contingent Liabilities**Pension Scheme liabilities**

Prior to 1 April 2017 the Association offered employees membership of a defined benefit pension scheme with the SFHA Pension Scheme. (Please see Note 23 for further details of this scheme). The Association has been advised by the Pensions Trust of the estimated employer debt on withdrawal from this scheme based on the financial position of the scheme as at 30 September 2021. As of this date, the estimated employer debt for Orkney Housing Association was £2,252,702 (2020 - £3,400,525).

The Association has no current plans to withdraw from the SHAPS Pension Scheme. It ceased to offer membership of SHAPS defined benefit schemes from 31 March 2017, thereby limiting any future increase in liability. All staff have access to a SHAPS defined contribution scheme from 1 April 2017.

22. Contingent Liabilities (continued)

Grants written off

At 31 March 2022, the Association has disposed of components which had received £463,641 (2021 - £410,457) of grant funding. Although the disposal of these components has not given rise to a relevant event for the purposes of repayment or recycling the grant (as the Association retains the property asset), it does have a potential future obligation to repay or recycle such grant once the property is disposed of.

As the timing of any future disposal is uncertain, in accordance with Financial Reporting Standard 12 – Provisions, Contingent Liabilities and Contingent Assets, no provision has been recognised in these financial statements.

23. Pensions

SHAPS Pension Scheme

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 will run to either 30 September 2022 or 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 Association is potentially liable for other participating employer's 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 Association to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Association 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 Association to account for the scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

23. Pensions (continued)

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 Association's fair share of the Scheme's total assets, to calculate the Association's net deficit or surplus.

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	31 March 2022 (£000s)	31 March 2021 (£000s)
Fair value of plan assets	4,982	4,831
Present value of defined benefit obligation	5,023	5,344
Surplus (deficit) in plan	(41)	(513)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(41)	(513)

Reconciliation of opening and closing balances of the defined benefit obligation

	Period ended 31 March 2022 (£000s)	Period ended 31 March 2021 (£000s)
Defined benefit obligation at start of period	5,344	4,489
Current service cost	-	-
Expenses	5	4
Interest expense	114	106
Contributions by plan participants	-	-
Actuarial losses (gains) due to scheme experience	178	(134)
Actuarial losses (gains) due to changes in demographic assumptions	16	-
Actuarial losses (gains) due to changes in financial assumptions	(426)	951
Benefits paid and expenses	(208)	(72)
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	5,023	5,344

23. **Pensions** (continued)**Reconciliation of opening and closing balances of the fair value of plan assets**

	Period ended 31 March 2022 (£000s)	Period ended 31 March 2021 (£000s)
Fair value of plan assets at start of period	4,831	4,463
Interest income	104	106
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	101	195
Contributions by the employer	154	139
Contributions by plan participants	-	-
Benefits paid and expenses	(208)	(72)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	4,982	4,831

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2021 to 31 March 2022 was £205,000.

Defined benefit costs recognised in Statement of Comprehensive Income (SOCl)

	Period ended 31 March 2022 (£000s)	Period ended 31 March 2021 (£000s)
Current service cost	-	-
Expenses	5	4
Net interest expense	9	-
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 (SoCl)	14	4

23. **Pensions** (continued)**Defined benefit costs recognised in Other Comprehensive Income (OCI)**

	Period ended 31 March 2022 (£000s)	Period ended 31 March 2021 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	101	194
Experience gains and losses arising on the plan liabilities - gain (loss)	(178)	134
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(16)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	426	(951)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	334	(623)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)		
Total amount recognised in other comprehensive income - gain (loss)	334	(623)

Key Assumptions

	31 March 2022 % per annum	31 March 2021 % per annum
Discount rate	2.79	2.18
Inflation (RPI)	3.57	3.27
Inflation (CPI)	3.19	2.87
Pensionable earnings increases	4.19	3.87

From 1 April 2017 all staff have access to a SHAPS defined contribution pension scheme. Details of standard employee and employer contributions are as follows:

	Employee	Employer
Default contribution rate	5%	10%

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 the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact 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.

ORKNEY HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2022

24. **Gain on Disposal of Fixed Assets**

	Shared Ownership	Land	Other Assets	Total 2022	Total 2021
	£	£	£	£	£
Income	795,000	0	207,000	1,002,000	678,750
Legal Expenses	(9,195)	0	(1,577)	(10,772)	(4,368)
Cost of Sale	(737,491)	0	(202,825)	(940,316)	(703,574)
Grants written off/abated	49,923	0	0	49,923	93,963
Other Costs	(2,580)	0	0	(2,580)	(2,181)
Gain/(Loss) on disposal	95,657	0	2,598	98,255	62,590

25. **Legislative Provisions**

The Association is incorporated under the Industrial and Provident Societies Act 1965, registered with the Scottish Housing Regulator and governed by the Housing (Scotland) Act 2010.

26. **Housing Stock**

The number of units of housing under development and in management at 31 March 2022 was:

		Units under Development		Units in Management	
		2022	2021	2022	2021
Housing for Rent:	General needs housing	22	34	817	797
	Supported housing	-	-	8	8
	Communal use	-	-	2	2
		22	34	827	807
Shared Ownership accommodation		-	-	137	144
New Supply Shared Equity		6	6	-	-
Total		28	40	964	951

27. **Subsidiary Information**

Details of the investment in which the Association holds more than 10% of the nominal value of any class of share capital are as follows:

Name of Company	Country of Registration or incorporation	Date of Incorporation	Proportion of Voting Rights	Nature of Business
OHAL Enterprises C.I.C.	United Kingdom	08/02/2012	Wholly Controlled	Dormant since incorporation

28. Related Parties

Any tenant who sits on the Management Committee enters into a tenancy on the Association's normal terms and conditions and cannot use this position to their advantage. The same position applies to any sharing owner in respect of their exclusive occupancy agreement. Expenses of £349 (2021: nil) were reimbursed to one committee member during the year.

29. Analysis of Changes in Net Debt

	At 31 March 2021 £	Cash Flows £	At 31 March 2022 £
Cash in hand	200	0	200
Short-term investments	1,020,000	255,000	1,275,000
Bank	4,086,845	(162,921)	3,923,924
Debt due within 1 year	(938,988)	14,963	(924,025)
Debt due after 1 year	(19,345,621)	860,894	(18,484,727)
	<u>(15,177,564)</u>	<u>967,936</u>	<u>(14,209,628)</u>

