

Report & Financial Statements

For the year ended 31st March 2022

REGISTRATION PARTICULARS:

PRINCIPAL OFFICE AND REGISTERED

ADDRESS:

River Clyde Homes
Clyde View
22 Pottery Street Greenock
PA15 2UZ

RIVER CLYDE HOMES

Company Number: SC329031
Charity Number: SC038584
Property Factor Registration
Number: PF000152
Scottish Housing Regulator
Registered Number: 362

RIVER CLYDE HOMES
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

**River Clyde Homes and Subsidiary
Report and Financial Statements
For the year ended 31 March 2022**

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Registration Particulars:

Register of Companies

Companies Act 2006

Registered Number: SC329031

Registered Number(subsidiary): SC328870

Principal Office and Registered Address:

Clyde View, 22 Pottery Street, Greenock PA15 2UZ

RIVER CLYDE HOMES AND SUBSIDIARY
MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Management Committee

The strategic leadership of River Clyde Homes (“the Company”) is provided by a Board which is supported by a Chief Executive and three Directors (together, The Executive Management Team). The full list of Board members during the year ended 31 March 2022 is as follows:

Name	Date of Appointment / Resignation
Jillian Moffat (Chair)	16 September 2014
John Quinn (Vice Chair)	24 September 2020
Marilyn Beveridge (Vice Chair)	17 May 2016 / 28 June 2021
Ellis Barilli (Tenant)	28 September 2021
Jenny Speck (Tenant)	20 September 2016 / 15 June 2021
Heike Noak (Tenant)	28 September 2021
Cllr Graeme Brooks	30 May 2017 / 30 August 2021
Cllr Chris McEleny	5 October 2021
Cllr Christopher Curley	6 March 2018
Tom Ferrier	26 September 2017
Gillian McLees	24 September 2020
Christopher Morgan	29 September 2020
Charles Thompson	27 November 2020
Robert Speir	2 February 2021

The composition of the Board has been amended to reflect requirements of the new Housing Amendment (Scotland) Act 2018.

All tenancies for the above tenant members of the River Clyde Homes’ Board are on Scottish Secure Tenancy Agreements in terms of the Housing (Scotland) Act 2010 and these members cannot use their position on the Board to their advantage. Any transactions with Inverclyde Council are made at arm’s length, on normal commercial terms, and the Board members who are also councillors cannot use their position on the Board to their or the Council’s advantage.

The Company is limited by guarantee and does not have any share capital. The liability of Board members is limited to £1 each. The executive officers of the Company hold no interest in the Company’s share capital and although not having the legal status of “Director” they act as executives within the authority delegated by the Board. It is the responsibility of the Board to approve the vision, business plan and priorities of the Company. They also monitor the operational activities of the Company. The Board is accountable to the wider membership and as at 31 March 2022, River Clyde Homes had 57 members. The Chair of the Board is a paid role.

**RIVER CLYDE HOMES AND SUBSIDIARY
MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Executives

The executive officers of the Company during the year to 31 March 2022 were as follows:

Position	Name
Chief Executive	Richard Turnock
Executive Director, Customer Services	Sandra McLeod
Executive Director, Group Services	John Wright
Managing Director, Home Fix Scotland	Derek Ferguson

The executive officers are responsible for achieving the vision, strategic outcomes, priorities and plans of the Board confirmed in its business plan; they also ensure high standards of professionalism, performance and ambition in their work.

The Board of Home Fix Scotland Limited (“HFS”), a wholly owned subsidiary of River Clyde Homes, consists of six members. The full list of Board members during the period to 31 March 2022 is as follows:

Position	Name	Date of Appointment / Resignation
Director	Jillian Moffat	17 November 2017
Director/Chair	Christopher Morgan	17 August 2018
Director	Mark Robson	12 June 2019 / 29 October 2021
Director	Paul McDevitt	10 March 2019
Director	Liz Taylor	8 December 2020
Director	Derek Ferguson	8 December 2020
Director	John Wright	17 February 2021

The River Clyde Homes Board oversees the activities of Home Fix Scotland Limited within the Group Business Plan.

Advisers

The key advisers of the Company during the year ended 31 March 2022 were as follows:

Bankers

Royal Bank of Scotland
Kirkstane House
139 St Vincent Street
Glasgow
G2 5JF

Solicitors

Brodies LLP
110 Queen Street
Glasgow
G1 3BX

Auditors

Armstrong Watson Audit Limited
1st Floor
24 Blythswood Square
Glasgow
G2 4BG

Nationwide Building Society
Kings Park Road
Moulton Park
Northampton
NN3 6NW

RIVER CLYDE HOMES AND SUBSIDIARY
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The Board presents its Annual Report together with the audited financial statements for the year ended 31 March 2022. This report incorporates the financial statements of the Company's wholly owned subsidiary, HFS.

Principal Activities

The principal activity of the Company is the provision of social housing throughout Inverclyde. Employing over 250 staff, the business owns and manages 6,088 homes and provides factoring services to a further 2,179 homes. The principal activity of HFS is to carry out certain works and services on behalf of the Company. In addition to utilising the services of certain trade staff seconded from RCH, HFS employ a specialist team of 132 staff (including 72 trade operatives) to deliver works.

Vision and Values

The Company has established a clear value base, identity and purpose to ensure that the wider community, staff and other stakeholders are aware of what the business stands for.



RIVER CLYDE HOMES AND SUBSIDIARY
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT

Financial Highlights

Statement of Comprehensive Income

Group Turnover of £29.9 million (2021: £29.0 million) relates mainly to the income from the letting of properties which accounts for £28.7 million (2021: £28.0 million) of this total. The balance of income of £1.2 million (2021: £1.0 million) relates to support activities, Homefact and Cycle Scotland fund.

Total Operating Expenditure was £28.1 million (2021: £25.9 million), consisting of:

- Management and maintenance admin costs £11.9 million (2021: £11.2 million)
- Planned and cyclical maintenance £2.8 million (2021: £2.3 million) (major repairs expenditure capitalised is detailed in note 3 on page 42)
- Reactive maintenance costs £4.4 million (2021: £4.5 million)
- Other costs £7.7 million (2021: £6.7 million)

The operating surplus for the year ended 31 March 2022 was £1.8 million (2021: £3.1 million) and the deficit on ordinary activities before actuarial adjustments on pension scheme was £2.2 million (2021: £1.0 million).

Statement of Financial Position

Total net assets for the group at the year-end amounted to £18.8 million (2021: £14.5 million). The key asset categories include:

- Housing property £241.9million (2021: £230.5 million)
- Rent debtors (gross) £1.9 million (2021: £1.8 million)
- Cash deposits £1.6 million (2021: £3.0 million)

The housing stock was transferred to the Company at nil value. As our major improvement and new build programme has progressed, the net book value of the housing properties held for letting or construction has increased to £241.9 million (2021: £230.5 million).

Offsetting the rental debtor of £1.9 million (2021: £1.8 million) is a bad debt provision of £1.3 million (2021: £1.1 million). This provision relates to current and former arrears.

The key liabilities include:

- Total deferred grant £101.8 million (2021: £103.0 million)
- Total loans £117.9 million (2021: £103.1 million)

The deferred grant relates to Scottish Government grants in respect of SHQS works, New Build projects and Aids and Adaptations development. £1.6 million (2021: £1.7 million) of the deferred grant is due within one year; the balance of £100.3 million (2021: £101.3 million) is due after more than one year.

RIVER CLYDE HOMES AND SUBSIDIARY
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT (continued)

Statement of Cash Flows

The net cash inflow from operating activities was £6.5 million (2021: £8.4 million). A further £10.8 million net inflow (2021: £7.0 million) was generated from financing activities. Net cash outflow from investing activities totalled £18.7 million (2021: £16.2 million).

Financing and Treasury Management

The housing properties are financed principally by a combination of housing association grant, bank borrowings and cash generated from trading surpluses. Bank borrowing facilities comprise a mixture of fixed rate and short term floating rate loans.

The Company, as a matter of policy, does not enter into transactions of a speculative nature.

The current loan facility allows a maximum borrowing of £126.7 million. This funding supports the new build and development programme. As at 31st March 2022 the Company had drawn down £116.8 million of loans. This comprised of £44.5 million of borrowing at a fixed interest rate and £72.3 million at a SONIA interest rate.

To support delivery of a revised five year business plan, the Company has been reviewing its current loan facility and future borrowing requirements. As part of this exercise, ALLIA C&C have appointed to provide independent treasury and funding advice. At the date of signing the financial statements, the re-financing exercise is ongoing but is expected to conclude over the coming months.

The Company has a regime in place whereby sufficient cash is held to meet its immediate obligations. During the financial year, this approach minimised the additional borrowing required. The amount of additional borrowing which was drawn down from the agreed facility was utilised to ensure progress on the investment programme.

Risk Management

Management adopts a robust risk management approach which identifies and records the risks facing the Company and the action plan by which risks are managed. The Top Five Strategic Risks facing the Company are shown in the table below. The Committee/Board have approved action plans to mitigate these risks:

<i>Risk Description</i>	<i>Key Mitigation</i>
Failure to effectively manage our assets	<ul style="list-style-type: none"> • New comprehensive technical Asset Management strategy completed. • New 3 year asset services strategy, drawing on the technical review, will be finalised and aligned to the Five Year Business Plan and presented to the Board for approval in the summer of 2022. Comprehensive review of the 10 year capital asset plan underway including tower block estate and stock “at risk.”

RIVER CLYDE HOMES AND SUBSIDIARY
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT (continued)

	<ul style="list-style-type: none"> • Improved governance and oversight of key activities and performance through ELT and Social Landlord Operations Committee. • Improved financial governance and processes. • Stock data migration will go live before the end of the financial year • Stock condition surveys have been hampered due to Covid-19, however the 5 year programme will start from 2022/23 • Enhanced fire safety risk assessments and regular drone surveys for all tower blocks. • Energy efficiency database in place with links to available subsidy providers. • Strengthened technical knowledge and skills covering tower blocks and fire safety. • Regular compliance audits and the Company maintain a watching brief on compliance aspects that impact our assets (e.g. Grenfell requirements). • Ongoing work to deliver/maintain SHQS, EESSH and Net Zero compliance. • Improved Scottish Government, Regulator & Inverclyde Council relationship management. • Supplement development programme capacity, including the effective use of external consultants.
<p>Failure to deliver competitive housing proposition</p>	<ul style="list-style-type: none"> • 24/7 service offer in place. • Older Persons Housing Services review completed. • Business Planning activity will include ongoing assessment of customer need and demand for housing in Inverclyde. • Rent affordability will be assessed as part of a Rent & Service Charge Review (including development of an affordability model) • Regularly monitor product offerings for relevance and adequacy while taking account of demographics and competitor propositions • Major Intervention Area action plans in place. • Void incentives in place and management process streamlined, improving efficiency and reducing days to let. • Demographic changes and changing customer needs are monitored to identify appropriate stock mix (number of bedrooms, accessibility, adaptations, etc.) • Attendance and proactive involvement on Inverclyde Council's Depopulation Working Group • Ongoing customer feedback (e.g. Customer senate, surveys etc.) PPE to be sourced from various suppliers to minimise supply issues. PPE to be controlled and monitored centrally.

RIVER CLYDE HOMES AND SUBSIDIARY
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT (continued)

	<ul style="list-style-type: none"> • Ongoing Service Reviews reshaping services to meet current and future demand i.e. Older Person and Caretaking Service.
Failure to deliver VFM efficiencies and ensure financial viability	<ul style="list-style-type: none"> • VFM Strategy and Plan approved by Board • VFM Project Board to lead on delivery of strategy • VFM targets incorporated into Financial Plan and budgets • Delivery of efficiencies monitored by Audit & Risk Committee together with RCH Board • VFM Workshops informing Business and Development Plans • Actively monitor operating costs going forward to understand forces driving up prices (including the disruption to the supply chain due to Brexit, recovery from Covid 19 pandemic and rising energy costs) • Enhanced Procurement strategy will help minimise cost inflation
Failure to adequately manage the transition to an effective Group Operating Model	<ul style="list-style-type: none"> • Board approved as a Key Corporate Initiative • Highlighted in Corporate Plan 2021/22 • SLT Change workshops arranged, to ensure this corporate initiative is achieved • Board regularly updated on the progress
Ineffective control of subsidiary governance, development and growth	<ul style="list-style-type: none"> • Pace and scale of growth and development governed by RCH Board • Development of a governance plan for HFS, incorporating appropriate consideration of the development of an appropriate business assurance framework • Separate HFS Board in place, plan to evolve to standalone HFS governance (with distinct financial and operational/service committees as appropriate) • Recruitment of HFS Board with requisite skill base • Recruitment of suitably skilled management and staff

Covid-19

The coronavirus pandemic continued to have a significant impact on the operations of the Company and its subsidiary, as it has for many companies in the UK. This risk and mitigation actions have been reflected in our risk register. The major areas of risk include the availability of staff, levels of service delivery, supply chain and labour shortages. The recent removal of many Covid restrictions has allowed us to plan for dealing with backlog of repair works and planned maintenance.

RIVER CLYDE HOMES AND SUBSIDIARY
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT (continued)

a) *Staff availability / Business resilience*

A Covid-19 response plan was developed, detailing all contingency arrangements to be implemented in the event of the Covid-19 pandemic leading to significant staff absences. This ensured the continued operation of essential services provided by River Clyde Homes Group. There is a high focus on business resilience with managers and the senior manager team meeting on a regular basis to discuss and resolve issues promptly.

b) *Service Delivery*

A reduced level of service was required to keep staff and customer safe. The level of services is reviewed daily, based on front-line managers' feedback plus the latest government advice. Any changes to the level of service are being communicated to customers and staff via numerous mediums. Vulnerable customers are being contacted to determine if any additional support is required.

c) *Health and Safety*

The availability of PPE will determine what work can be carried out. Staff are aware of the safeguards they need to put in place to ensure they, and the customer, are protected e.g. isolating in separate rooms from the customer and observing social distancing.

d) *Financial*

The financial impact of the pandemic thus far has been reported to our Board. This included completing a full mid-year budget review, reflecting the delay in our new build programme, increase in void properties and any further key changes. RCH have incurred the cost of staff (particularly in HFS) who have not be fully utilised due to RCH moving to an emergency repair service only as various stages of the pandemic. Mitigation strategies had been put in place for all the above risks to minimise their impact. (Note: these include careful consideration of 'furlough' activity, through which, the RCH Group can access grant funding via the Job Retention Scheme). Our key financial assumptions contained in our financial plan and budgets from 2022/23 onwards have been amended to reflect the changes in our operational environment.

Employees with disabilities

Applications for employment by people with disabilities are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retain them in order that their employment with RCH Group may continue. RCH Group policy is that training, career development, promotion opportunities should be available to all employees.

Employee Information

The Company engage with all employees through regular Directorate meetings allowing the Directors and/or CEO to discuss matters of importance and relevance. The Joint Consultation Forum ensures external parties (Trade Unions) are involved in discussions allowing employee interests and concerns to be considered.

RIVER CLYDE HOMES AND SUBSIDIARY
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

STRATEGIC REPORT (continued)

Credit Payment Policy

The Company's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period is 28 days.

Business Engagement

The Directors recognise the need to foster business relationships with suppliers and customer alike to provide benefits to local communities, this is driven by RCH Group's engagement with Inverclyde Council and other strategic parties in Inverclyde.

Planning for the future

The assumptions underpinning all business plans (including the five year plan, thirty year business plan and financial plan) are reviewed and validated on an annual basis. All financial plans are subject to appropriate stress testing and sensitivity analysis. The financial projections confirm that there is adequate financial resource available to deliver the objectives of the business plan.

One core assumption includes the spending requirement associated with the Asset Management Strategy.

The funding package approved with our lenders enables the delivery of the following:-

- Delivery of the new build development programme which will provide more than 50 new homes over the next year.
- An investment programme that will seek to meet the requirements of the Energy Efficiency Standard for Social Housing (ESSH)
- A full component replacement programme from 2028 onwards to maintain Scottish Housing Quality Standards (SHQS).

OPERATING REVIEW

CUSTOMER EXPERIENCE DIRECTORATE

Key achievements in 2021-22

- Successful transition to new working practices in response to the significant changes required as a result of the Covid 19 pandemic.
- Maintaining tenant safety through continued delivery of key investment works throughout the pandemic.
- New RCH Customer Services Strategy.
- Completion of James Watt Dock new build development with 87 properties available for social housing.
- Completion of final phase of 22 units at Slaemuir new build development.

RIVER CLYDE HOMES AND SUBSIDIARY
REPORT OF THE MANAGEMENT COMMITTEE
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OPERATING REVIEW (continued)

- Delivery of multiple phases of St Stephens new build development, with 174 properties available for social housing.
- Reviews of the Customer Experience Team and Older People’s services.
- Successful delivery of Major Repair programme despite supply and material challenges.
- Multiple Strategic Acquisitions completed
- New Investment Plan agreed with HFS.
- Support to Inverclyde Council’s Rapid Rehousing Transition Plan (RRTP) for homeless people.
- Approval and Implementation of new S5 Protocol with Inverclyde Council and other local Registered Social Landlords.
- Partnership arrangement with Inverclyde Council for a new core and cluster housing model for young males with learning disabilities.
- External funding secured for supporting vulnerable families during the pandemic with purchasing essentials and increasing energy costs.

Performance highlights

Key Performance Indicators

KPIs are formally reviewed quarterly by the Performance and Services Committee and included in the Annual Return on the Charter (ARC) to the Scottish Housing Regulator (SHR) and Customers.

Selected ARC Measures	2021/22	2020/21
Gross average time taken to re-let properties (days)	173	109
Rent lost due to properties becoming vacant (ARC)	4.5%	3.1%
Rent collected as a proportion of rent due	97.5%	101.1%
Gross rent arrears as a % of rent due	5.4%	5.3%
ASB cases resolved within target	95%	95%
Stage 1 complaints responded to in full	94%	98%
Stage 2 complaints responded to in full	95%	97%
Properties with a valid gas safety certificate	100%	100%

New Build

The current financial year has seen the largest number of New Build properties available for Social Housing Let in the history of RCH. Over three different sites, the Company have successfully been able to deliver 283 properties, forming part of our strategy to deliver over 450 new homes in the past five years.

The development of 137 new homes at James Watt Dock in Greenock is complete, offering magnificent views over the historic dock. They are the association’s first properties on the historic waterfront that once defined the area, with its proud ship building heritage. This landmark new waterfront development provides quality, energy efficient homes with stunning River Clyde views.

RIVER CLYDE HOMES AND SUBSIDIARY
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

OPERATING REVIEW (continued)

The final stage of New Build in the Slaemuir area of Port Glasgow has now been completed with a total of 96 units. The new homes replaced the Slaemuir 'stub blocks' which were something of a landmark in the neighbourhood. Slaemuir was one of the last housing schemes to be built in Inverclyde and still marks the transition from countryside to urban living.

Our New Build project at former St Stephens High School in Port Glasgow boasting 224 new homes marked one of the largest regeneration projects in Scotland. 174 properties were completed this year with the remainder due to be completed by August 2022. The development comprises affordable housing for rent, as well as specialist housing for residents with additional needs, including 24 dementia friendly flats and 8 wheelchair accessible flats and further retirement housing. The highly energy-efficient properties vary in size, ranging from one to three bedroom homes, reflecting the diverse requirements of the local community.

Voids

The pandemic restrictions and temporary ban on moving home combined with strict health and safety working practices contributed to an increase in void loss and the time taken to relet homes. In addition, the pandemic also had an impact on resources available to work in void properties and accessing materials.

Days to let is also impacted by longer term voids being relet and in this financial year, 37 properties were let that were vacant for over 1 year.

Rent Arrears and Welfare Reform

The high priority given to rent arrears recovery and welfare benefit advice has resulted in a consecutive year of improved performance. This has been achieved in the context of the pandemic, a ban on evictions and remote working for RCH's staff.

Although staff were unable to carry out home visits for most of the operating period, there was a channel shift towards text customers and e-mailing which proved successful. In addition, referrals to our Financial Well Being Team, provided customers with advice on maximising their income and budgeting.

Anti-social behavior (ASB)

Performance in closing cases of ASB improved in the context of an increase in serious cases through the lockdown period and more challenging timescale targets to respond and resolve incidences.

Our strong partnership working with several agencies including Police Scotland, the Scottish Fire & Rescue Service and Inverclyde Council has resulted in 4 evictions for serious anti-social behaviour.

Complaints

Improvements in stage 1 responses with a slight dip in more complex stage 2 complaints resulting from continued focus on improving customer service.

RIVER CLYDE HOMES AND SUBSIDIARY
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

OPERATING REVIEW (continued)

Gas safety

Continued compliance with gas safety regulations through a challenging period when access to properties during lockdown was heavily restricted.

Energy Consumption and Efficiency Reporting

RCH consumes electricity, gas and transport equivalents for its own offices use and in the provision of energy to Tenants. Consumption figures have been computed from utility bills provided by providers. Intensity ratios of usage per property provided and usage per square foot of office were deemed appropriate based on the Company's activities. The effects of transport consumption were deemed negligible and therefore have not been reported. The energy consumption in kWh and carbon footprint in kgCO₂e for the year ending 31 March 2022 is disclosed as follows:

Energy	kWh	kgCO₂e	Per Property	Per Office sq ft
Office (Electricity)	540,203	189,914	-	42
Tenants (Electricity)	1,704,267	599,152	418	-
Total (Electricity)	2,244,470	789,066	-	-
Office (Gas)	482,539	88,864	-	32
Tenants (Gas)	3,608,294	664,503	12,933	-
Total (Gas)	4,090,833	753,367	-	-

The energy consumption in kWh and carbon footprint in kgCO₂e for the year ending 31 March 2021

Energy	kWh	kgCO₂e	Per Property	Per Office sq ft
Office (Electricity)	677,850	238,305	-	42
Tenants (Electricity)	1,612,939	567,045	411	-
Total (Electricity)	2,290,789	798,190	-	-
Office (Gas)	514,945	94,832	-	32
Tenants (Gas)	4,494,541	827,715	16,109	-
Total (Gas)	5,009,486	922,547	-	-

Carbon Emissions and Energy Consumption

RCH takes its responsibilities to reducing the effects of climate change seriously. A key objective of our Asset Management Strategy is to achieve the Energy Efficiency Standard for Social Housing (ESSH). Its purpose is to help reduce energy consumption, fuel poverty and the emission of greenhouse gases. It will contribute to reducing the countries' carbon emissions by 42% by 2021 and 80% by 2050, in line with the requirements set out in the Climate Change (Scotland) Act 2009. For the reporting year, the Company have been able to achieve 69% stock ESSH compliance.

RIVER CLYDE HOMES AND SUBSIDIARY
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

OPERATING REVIEW (continued)

RCH are currently in process of creating an Energy and Sustainability strategy to influence the investment priorities of the organisation and ensure sustainable and effective investment in our stock to meet future regulatory requirements. This should ensure the Company maximise funding opportunities to minimise fuel poverty for our customers whilst also increasing tenancy sustainment, as well as playing a role in the global battle against climate change.

For most of its electrical supply, RCH uses the Scottish Government National Framework Contract for the supply of electricity. This framework has a Risk Management Committee consisting of experts from energy management, finance and procurement functions from across the Scottish public sector. They ensure the organisation's achieve Sustainability, Community and socio-economic benefits.

HOME FIX SCOTLAND (HFS)

The HFS repairs and maintenance service is focused on improving front line services to our customers, whilst at the same time continuing to improve its performance and efficiency. The development of HFS, which undertakes certain works and services on behalf of RCH has continued throughout the last year. HFS has followed the prevailing government Covid guidelines, to ensure the safety of our staff and service users.

Due to supply chain challenges particularly through the pandemic period, a significant backlog of repairs surfaced, while new repair volume was also higher than normal and skewed to emergency priority. A plan to reduce and eventually remove the aged open backlog is now in place, with more dedicated resource and improved material supply processes in place. HFS are working with RCH on re-balancing the proportion of emergency priorities in the coming months.

Our planned works program was limited over the last year and was more heavily weighted to the second half as government restrictions eased and supply chains recovered. The environmental team were able to start and progress their summer programme, completing all works in time to plan and execute on the winter programme. Complaints in this area reduced significantly with positive feedback from RCH on performance.

During the year there has been a strong focus on void property returns, quality and cost, with an improved process in place that aligns to delivering an updated lettable standard within predictable timelines and budgets.

Performance highlights

Details of performance are highlighted below, which has been positive, taking into account the restrictions and protocols in place throughout the year.

Selected Performance Measures	2021/22	2020/21
Average hours to complete emergency repairs	4.2	5.2
Average working days to complete non-emergency repairs	11.7	4.0
Percentage reactive repairs completed right first time	89.8	96.8
Percentage of tenants satisfied with repairs	84.6	89.2

RIVER CLYDE HOMES AND SUBSIDIARY
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

OPERATING REVIEW (continued)

Going Concern

The Management Committee has reviewed the results for this year and has also reviewed the financial projections for the next five years which incorporate assumptions pertaining to the refinancing of our existing loans. It, therefore, has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements.

The Management Committee has considered the impact of the COVID-19 pandemic in concluding ongoing concern. The risks facing the Company have been considered, as detailed on page 10, a consideration of the available funding to the Company through its available loan facilities, the use of the job retention scheme, moving to emergency repairs only and a number of scenario planning exercises have been conducted which have projected the potential financial impact that may occur ranging from best to worst case scenarios. As a result of these actions the Board has been able to conclude that the adoption of the going concern assumption continues to be appropriate.

Statement by the Directors in performance of their statutory duties in accordance with section 172 of the Companies Act 2006

The Directors acknowledge and understand their duties and responsibilities, including that of section 172, of the Companies Act 2006. A Director of a Company must act in the way he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interest of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers and others,
- the impact of the Company's operations on the community and the environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the Company.

The Board recognises that the long term success of the business is dependent on the way we interact with a large number of important stakeholders including our Colleagues, Clients and Members. The Directors have had regard to the interest of our stakeholders while complying with their obligations to promote the ongoing success of the business in line with the section 172 of the Companies Act. This is evidenced throughout our strategic report, through our engagement with our tenants, staff, Scottish Housing Regulator, Inverclyde Council, Scottish Government, Bankers.

Ahead of all Board meetings the Directors are supplied with Board papers that highlight relevant stakeholder considerations along with performance metrics and ongoing forecasts. The Board's decision making considers both risk and reward in the pursuit of delivering long term value to our stakeholders and acknowledging and understanding the current and potential risks to the business, both financial and non-financial, are fundamental to how we manage the business.

RIVER CLYDE HOMES AND SUBSIDIARY
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

OPERATING REVIEW (continued)

The Directors, both individually and collectively as a Board consider the decisions taken during the year ended 31st March 2022 were in conformance to their duty under section 172 of the Companies Act.

Signed on behalf of the Board:



JILLIAN MOFFAT

on: 23 August 2022

RIVER CLYDE HOMES AND SUBSIDIARY
REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2022

OPERATING REVIEW (continued)

Information for auditors

As far as the Board members are aware at the date of approval of these financial statements there is no relevant audit information of which the auditors are unaware and the Board members have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to ensure that the auditors are aware of any such information.

Auditors

The auditors, Armstrong Watson Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Signed on behalf of the Board:



JILLIAN MOFFAT
on: 23 August 2022

RIVER CLYDE HOMES AND SUBSIDIARY
STATEMENT OF MANAGEMENT COMMITTEE'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022

Company law requires the Board to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company at the end of the period and of the surplus or deficiency for the period then ended.

In preparing those financial statements, the Board is required to:

- select suitable accounting policies, as described on pages 33 to 40, and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Registered Association's Determination of Accounting Requirements 2014 and the Housing (Scotland) Act 2010 and the Housing Statement of Recommended Practice Accounting by registered social housing providers 2014 (SORP). The Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RIVER CLYDE HOMES AND SUBSIDIARY

MANAGEMENT COMMITTEE'S STATEMENT ON INTERNAL FINANCIAL CONTROLS

FOR THE YEAR ENDED 31 MARCH 2022

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

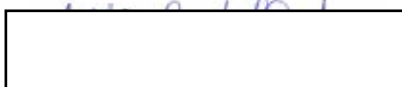
- the reliability of financial information used within the Company or for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets (against unauthorised use or disposition).

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

- 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 Company's assets;
- experienced and suitably qualified staff take responsibility for important business function; annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared regularly which allow the Board and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the period 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;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures from the Board members;
- the Board reviews reports from the Chief Executive and staff and from the external and internal 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 Company; and
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Board has continued to review the system of internal financial control in the Company during the period ended 31 March 2022. No weaknesses were found in the internal financial controls, which could result in material losses, contingencies, or uncertainties, which require disclosure in the financial statements, or in the auditors' report on the financial statements.

By order of the Board



JILLIAN MOFFAT

Date: 23 August 2022

RIVER CLYDE HOMES AND SUBSIDIARY

EXTERNAL AUDITORS REPORT ON CORPORATE GOVERNANCE MATTERS

FOR THE YEAR ENDED 31 MARCH 2022

Corporate Governance

In addition to the audit of the financial statements, we have reviewed the Board of Management's statement on page 20 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 which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters with Bulletin 2006/5 issues 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 page 20 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls 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 the Board of Management and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Committee of Management's Statement on Internal Financial Controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

Armstrong Watson Audit Limited
1st Floor
24 Blythswood Square
Glasgow
G2 4BG

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Date: 23 August 2022

RIVER CLYDE HOMES AND SUBSIDIARY

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of River Clyde Homes (the 'parent Company') and its subsidiary (the 'Group') for the year ended 31 March 2022, which comprise the Group and Company Statement of comprehensive income, the Group and Company Balance sheets, the Group and Company Statement of cash flows, the Group and Company Statement of changes in equity and the 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 Financial Reporting Standard 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 Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's result 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 requirements of the Companies Act 2006, Schedule 7 of Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2020 issued by the Scottish Housing Regulator.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Report of the Management Committee, other than the financial statements and our Auditors' 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.

RIVER CLYDE HOMES AND SUBSIDIARY

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Management Committee's responsibilities statement on page 19, the directors 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 directors 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 directors are responsible for assessing the Group's and the parent Company'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 directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

RIVER CLYDE HOMES AND SUBSIDIARY

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

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

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 engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and knowledge of the Company to identify or recognise non-compliance with applicable laws and regulations. The applicable laws and regulations include compliance with FRS 102, the Companies Act 2006, UK tax legislation, Statement of Recommended Practice for Registered Social Housing Providers, Housing (Scotland) Act 2010, and the Charity and Trustee Investment Act (Scotland) 2005.
- We identified the laws and regulations applicable to the Company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- We verified our enquiries through review of Board minutes and other correspondence throughout the year to identify any breaches of laws and regulations.
- We reviewed correspondence with Regulators to identify any significant incident reporting and potential penalties due to known breaches identified.

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

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- We assessed the level of fraud risk and concluded that the area most susceptible to fraud was revenue recognition and management override of internal controls.

To address the risk of fraud/error with regard to revenue recognition, we:

- Performed substantive tests of detail over the various revenue streams in the financial statements;
- Performed analytical procedures in addition to substantive tests of detail with regards to the material streams of revenue in the financial statements such as rental income;
- Performed enhanced procedures with regards to revenue recognised around the year end date.

RIVER CLYDE HOMES AND SUBSIDIARY

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

- Tested journal entries recorded on the Company's finance system to identify unusual transactions that may indicate override of controls;
- Reviewed key judgements and estimates for any evidence of management bias.

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; and
- Enquiring of management and reviewing Board minutes and other correspondence throughout the year to identify actual and potential litigation and claims.

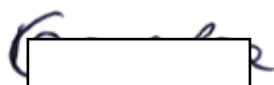
Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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

Use of our report

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members as a body 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 Company and the Company's members for our audit work, for this report, or for the opinions we have formed.

Karen Rae FCCA
Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Floor 1
24 Blythswood Square | Glasgow | G2 4BG



Date: 23 August 2022

RIVER CLYDE HOMES AND SUBSIDIARY
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
Turnover	2	29,926	29,026
Operating expenditure	2	(28,117)	(25,913)
Operating surplus		1,809	3,113
Loss on disposal of fixed assets	4a	(7)	(42)
Interest receivable		-	1
Interest and Financing Costs	19	(3,910)	(3,933)
Other Financing Expense	11	(116)	(92)
Deficit on ordinary activities before taxation		(2,224)	(953)
Taxation on surplus on ordinary activities	21	(5)	-
Deficit for the year	13	(2,229)	(953)
Other Comprehensive Income			
Actuarial gain/(loss) on pension scheme	11	6,534	(1,564)
Total comprehensive income/(loss) for the year		4,305	(2,517)

The notes on pages 33-68 form part of these financial statements.

RIVER CLYDE HOMES AND SUBSIDIARY
COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
Turnover	2	29,762	28,806
Operating expenditure	2	(27,990)	(25,723)
Operating surplus		1,772	3,083
Loss on disposal of fixed assets	4a	(7)	(42)
Interest receivable		25	27
Interest and Financing Costs	19	(3,909)	(3,933)
Other Financing Expense	11	(116)	(92)
Deficit on ordinary activities before taxation		(2,235)	(957)
Taxation on surplus on ordinary activities	21	-	-
Deficit for the year	13	(2,235)	(957)
Other Comprehensive Income			
Actuarial gain/(loss) on pension scheme	11	6,534	(1,564)
Total comprehensive income/(loss) for the year		4,299	(2,521)

The notes on pages 33-68 form part of these financial statements.

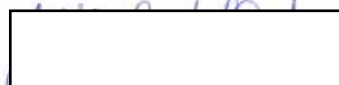
RIVER CLYDE HOMES AND SUBSIDIARY
GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible Assets	4a/b		241,937		230,769
Intangible Assets	4c		357		432
Current Assets					
Stock	5	287		284	
Trade and other Debtors	6a	2,291		1,783	
Trade and other debtors due after more than one year	6b	267		289	
Cash and cash equivalents		1,572		3,003	
		<u>4,417</u>		<u>5,359</u>	
Creditors: amounts falling due within one year	7	(43,434)		(11,830)	
Net current assets			<u>(39,017)</u>	<u>(11,830)</u>	
Total assets less current liabilities			<u>203,277</u>	<u>224,730</u>	
Creditors: amounts falling due after more than one year	8		(184,492)		(204,521)
Pension Provision	11		-		(5,668)
Total Net Assets			18,785		14,541
Reserves					
Restricted Reserve	13	231		181	
Income & Expenditure Reserve	13	18,554		14,360	
			18,785		14,541

These financial statements were approved and authorised for issue by the Board on 23 August 2022 and signed on their behalf by:

Chair of Board:



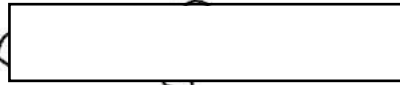
JILLIAN MOFFAT

Board member:



JOHN QUINN

Director:



JOHN WRIGHT

The notes on pages 33-68 form part of these financial statements.

RIVER CLYDE HOMES AND SUBSIDIARY


COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible Assets	4a/b		241,885		230,701
Intangible Assets	4c		254		432
Current Assets					
Stock	5	-		-	
Trade and other Debtors	6a	3,919		3,210	
Trade and other debtors due after more than one year	6b	267		289	
Cash and cash equivalents			1,171		2,362
			<u>5,357</u>		<u>5,861</u>
Creditors: amounts falling due within one year	7	(44,284)		(12,384)	
Net current assets			<u>(38,927)</u>		<u>(6,523)</u>
Total assets less current liabilities			<u>203,212</u>		<u>224,610</u>
Creditors: amounts falling due after more than one year	8		(184,492)		(204,521)
Pension Provision	11		-		(5,668)
Total Net Assets			<u>18,720</u>		<u>14,421</u>
Reserves					
Restricted Reserve	13	231		181	
Income & Expenditure Reserve	13	18,489		14,240	
			<u>18,720</u>		<u>14,421</u>

These financial statements were approved and authorised for issue by the Board on 23 August 2022 and signed on their behalf by:

Chair of Board:



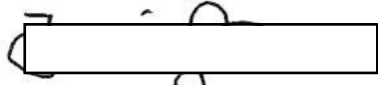
JILLIAN MOFFAT

Board member:



JOHN QUINN

Director:



JOHN WRIGHT

The notes on pages 33-68 form part of these financial statements.

RIVER CLYDE HOMES AND SUBSIDIARY

GROUP STATEMENT OF CHANGES IN RESERVES

AS AT 31 MARCH 2022

	Restricted Reserve £'000	Income & Expenditure Account £'000	Total £'000
At 1 April 2021	181	14,360	14,541
Actuarial gain on pension scheme	-	6,534	6,534
Gift aid in the year	-	(61)	(61)
Deficit for the Year	-	(2,229)	(2,229)
Movement in Year	50	(50)	-
At 31 March 2022	231	18,554	18,785

Further details are given in note 13.

COMPANY STATEMENT OF CHANGES IN RESERVES

AS AT 31 MARCH 2022

	Restricted Reserve £'000	Income & Expenditure Account £'000	Total £'000
At 1 April 2021	181	14,240	14,421
Actuarial gain on pension scheme	-	6,534	6,534
Deficit for the Year	-	(2,235)	(2,235)
Movement in Year	50	(50)	-
At 31 March 2022	231	18,489	18,720

Further details are given in note 13.

RIVER CLYDE HOMES AND SUBSIDIARY

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Net cash inflow from operating activities (note 14)		6,456		8,450
Cashflow from financing activities				
Interest paid	(3,910)		(3,933)	
Loan advances received	14,800		11,000	
Other finance expense	(116)		(92)	
Net cash inflow from financing activities		10,774		6,975
Cashflow from investing activities				
Purchase of Tangible Fixed Assets	(19,282)		(21,186)	
Grants Received	628		5,051	
Interest Received	-		1	
Disposal of Fixed Assets	(7)		(42)	
Net cash outflow from investing activities		(18,661)		(16,176)
Net Change in Cash and Cash Equivalents		(1,431)		(751)
Cash and cash equivalents at the beginning of the year		3,003		3,754
Cash and cash equivalents at the end of the year		1,572		3,003
Net Change in Cash and Cash Equivalents		(1,431)		(751)

Further details are given in note 14.

RIVER CLYDE HOMES AND SUBSIDIARY
COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Net cash inflow from operating activities (note 14)		6,452		9,487
Cashflow from financing activities				
Interest paid	(3,909)		(3,933)	
Loan advances received	14,800		11,000	
Other finance expense	(116)		(92)	
Net cash inflow from financing activities		10,775		6,975
Cashflow from investing activities				
Purchase of Tangible Fixed Assets	(19,064)		(21,040)	
Grants Received	628		5,105	
Interest Received	25		27	
Disposal of Fixed Assets	(7)		(42)	
Net cash outflow from investing activities		(18,418)		(15,950)
Net Change in Cash and Cash Equivalents		(1,191)		512
Cash and cash equivalents at the beginning of the year		2,362		1,850
Cash and cash equivalents at the end of the year		1,171		2,362
Net Change in Cash and Cash Equivalents		(1,191)		512

Further details are given in note 14.

RIVER CLYDE HOMES AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. **General Information and Accounting Policies**

The Company is incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland as a private Company Limited by guarantee with Companies House. River Clyde Homes is registered with the Scottish Housing Regulator as a Registered Social Landlord under the Housing (Scotland) Act 2010. River Clyde Homes adopted Charitable Rules on 7th December 2007 and its Charity Number is SC329031. The Company is defined as a public benefit entity and thus the Company complies with all disclosure requirements relating to public benefit entities.

The Society's address is listed on page 2. Its principal activities and the nature of its operations are detailed on page 5. The principal accounting policies are set out below.

a) **Basis of Preparation**

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and the Determination of Accounting Requirements 2020 as issued by the Scottish Housing Regulator and under the historical cost convention, modified to include certain financial instruments at fair value.

The financial statements are prepared in Sterling (£) and are rounded to nearest £'000.

b) **Critical Accounting Estimates and Areas of Judgement**

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

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are included below:

i. **Useful lives of properties**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on industry averages and our review of our stock. Uncertainties in these estimates relate to the length of time certain components in our homes will last, with varying levels of use potentially lengthening or shortening the lives of these components.

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

ii. Recoverable amount of rent arrears and debtors

Management considers the reasonable likelihood of rent arrears and debtors being recoverable based on past experience. While every effort is made not to over-estimate the amounts which will be recovered by the Association in the future, the actual amounts which might be received are often out with the Association's control.

iii. Obligations under defined benefit pension scheme

Pension obligations within the financial statements rely on actuarial assumptions and calculations completed by professional actuaries. These assumptions and calculations are reviewed by management to ensure the results are reasonable and appropriate.

Where the performance of the scheme in any given period results in a surplus position at the year end, management consider the likelihood that the Group will receive future economic benefits via reduced contributions or rebates from the scheme.

If these benefits can be reliably quantified and receipt is considered highly probable the value of the recognised asset is restricted to only those amounts deemed as recoverable.

Where the economic benefit cannot be reliably quantified or the timing of receipt is uncertain, management have determined that no asset will be recognised. Management consider this policy to be prudent and aligned with the requirements of FRS 102.

iv. Impairment of Housing Properties

An assessment is made at each reporting date of whether there are indicators that housing properties may be impaired. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential. These impairment losses are recognised in the Statement of Comprehensive Income. See accounting policy k for further details of impairment policy.

c) Consolidation

River Clyde Homes owns the entire share capital of Home Fix Scotland Limited (a private Company limited by shares). In accordance with FRS 102 using the purchase method, the financial statements show the consolidated position of River Clyde Homes and its subsidiary Home Fix Scotland Limited relating to the year ended 31 March 2022. All inter-group transactions are eliminated in full on consolidation.

d) Turnover

Turnover comprises rental and service charge income receivable in the period, other services provided at the invoice value and revenue grants receivable in the period.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from first tranche sales and sales of properties built for sale are recognised at the point of legal completion of the transaction.

RIVER CLYDE HOMES AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

e) **Tangible Fixed Assets**

Housing properties are stated at cost, all property was acquired at nil value under the stock transfer agreement. The cost of such properties includes the following:

- (i) Cost of acquiring land and buildings
- (ii) Development expenditure including attributable overheads
- (iii) Interest charged on the loans raised to finance the scheme to date of completion.

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

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

Works to existing properties which fail to meet the above criteria are charged to the Statement of Comprehensive Income. The major components of properties are deemed to be structure, roofs, windows and doors, bathrooms, mechanical systems, lifts, electrics, kitchens and central heating systems. Each component has a substantially different economic life and is depreciated over this individual life. Depreciation rates are shown in note (j).

f) **Intangible Fixed Assets**

Intangible assets purchased are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Purchased computer software	3 years
Website development costs	3 years
Re-Financing Fees	5 years

Amortisation is revised prospectively if there is a significant change in the useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

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FOR THE YEAR ENDED 31 MARCH 2022

g) Investments in Subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements

h) Government Grants

Where developments have been financed wholly or partly by Housing Company Grant or other capital grant, the Grants will be presented as deferred income within liabilities on the Balance Sheet. The grant recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

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

The Coronavirus Job Retention Scheme has been utilised in the course of the year in line with government policy to fund the salaries of employees, with sums relating to the financial year being credited to Other income in the Statement of Comprehensive Income in the same period as the related expenses.

i) Other Grants

Grants received in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

j) Depreciation

Housing Land and Buildings:

Housing Properties are stated at cost less accumulated depreciation. Depreciation is charged based on the useful life of each component within its housing properties as follows:-

Structure	100 years
Roofs	70 years
Windows and doors	40 years
Bathrooms	30 years
Mechanical Systems	30 years
Lifts	30 years
Electrics	30 years
Kitchens	15 years
Central heating systems	15 years

Housing under construction is not depreciated and no depreciation is charged on the cost of land.

Other Fixed Assets:

A full year's depreciation is charged in the year of acquisition but no charge is made in the year of disposal. Depreciation is charged at rates estimated to write off costs less the estimated residual value over the expected useful life, as follows:

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FOR THE YEAR ENDED 31 MARCH 2022

Furniture and Fittings	20% straight line
Computer Equipment	33 1/3% straight line

Assets transferred from Inverclyde Council were revalued in order to establish an initial value. They will be depreciated as per the policy above in future years.

k) Impairment

An assessment is made at each reporting date of whether there are indicators that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, estimates on the recoverable amount of the asset are made. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the Statement of Comprehensive Income.

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

l) Value added tax

The Company is registered for VAT. A large portion of its income, including rental receipts, is exempt for VAT purposes, giving rise to a partial exemption calculation. Expenditure is charged to the Statement of Comprehensive Income inclusive of VAT. Recoverable VAT arising from partial exempt activities is credited to the Statement of Comprehensive Income.

m) Pension

The Company participates in two pension schemes as follows:

- i) Strathclyde Pension Fund which is a defined benefit scheme as defined by the Local Government Pension Scheme (Scotland) regulations 1998. Contributions are charged to the Statement of Comprehensive Income so as to spread the cost of pensions over the employees' working lives within the Company. There has been no change in accounting treatment in the year.
- ii) Scottish Housing Association Pension Scheme which is a multi employer defined benefit scheme managed by the Pension Trust. Retirement benefits to employees of the Association are funded by contributions from all participating employers and employees in the Scheme.
 - a. For the SHAPS, the association is able to identify its share of the scheme assets and scheme liabilities from 1 April 2018 and therefore has applied defined benefit accounting from this date onwards. FRS 102 Section 28 requires the difference on transition from defined contribution to defined benefit accounting to be presented separately in other comprehensive income. The group early adopted the amendment made to Section 28 of

RIVER CLYDE HOMES AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

FRS 102, as issued in May 2020 by the Financial Reporting Council, and therefore recognised the difference on transition to defined benefit accounting in the year ended 31 March 2020. The scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. This has been recognised within the defined benefit pension liability on the face of the statement of financial position.

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period within the Statement of Comprehensive Income. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income.

- n) **Allocation of Owner Occupier Income**
Monies charged and received from owner-occupiers for common maintenance are credited into the Statement of Comprehensive Income within the accounting period in which it is invoiced.
- o) **Operating Lease Agreements**
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.
- p) **Sale of housing properties**
Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale.
- q) **Energy Trust and Scottish Government Loan**
The Company has treated the loan value in accordance with section 34 of FRS 102. The loan has a nil rate of interest and therefore under section 34.89 and 90 the Company has taken the decision of accounting for this at cost.
- r) **Stock**
Stock is stated at the lower of cost and net realisable value. Net realisable value is calculated as estimated sales proceeds less costs to sell. Cost is calculated using the weighted average costing method.
- s) **Borrowing Costs**
General and specific borrowing costs directly attributable to the acquisition and construction of qualifying properties are added to the cost of those properties until such a time as the properties are ready for their intended use or sale. All other borrowing costs are expensed as incurred.
- t) **Deposits and Liquid Resources**
Cash comprises cash in hand and deposits repayable on demand less overdrafts

RIVER CLYDE HOMES AND SUBSIDIARY

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FOR THE YEAR ENDED 31 MARCH 2022

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

u) **Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. Employees are entitled to carry forward up to 5 days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

FRS102 requires the Company to recognise the cost of all employee benefits to which its employees have become entitled as a result of service rendered during the reporting period.

v) **Taxation**

As a registered charity, River Clyde Homes is exempt from corporation tax on its charitable activities by virtue of Section 505(1) Income & Corporation Taxes Act 1988 and from capital gains tax by virtue of Section 145 Capital Gains Tax Act 1979.

Home Fix Scotland is subject to Corporation Tax on its applicable activities. Any payments due for corporation tax will be recognised.

w) **Going concern**

The Management Committee considers on an annual basis the appropriateness of preparing the Company's Financial Statements on a going concern basis. Matters which are taken into account in this process include:

- The prevailing economic climate, both internationally and locally and its impact, if any, on the Company's viability.
- The financial position of the Company and the impact, if any, of perceived weaknesses on the Company's viability.
- The short, medium and long term financial prospects resulting from the modelling exercise carried out annually in updating the Company's 30 year Business Plan including sensitivity analyses and independent verification of key underlying assumptions.

In the absence of any fundamental shortcomings raised as a result of the above exercise the Management Committee consider the going concern assumption underlying the preparation of the Company's Financial Statements to be appropriate.

During the financial year ending 31st March 2022, the Company have taken advantage of the Government's Job Retention Scheme. Full disclosure's are shown within Note 3 to Accounts.

RIVER CLYDE HOMES AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

The Management Committee have considered the impact of the COVID-19 pandemic in concluding on going concern. The risks facing the Company have been considered, as detailed in the strategic report, a consideration of the available funding to the Company through its available loan facilities and a number of scenario planning exercises have been conducted which have projected the potential financial impact that may occur ranging from best to worst case scenarios. As a result of these actions the Board have been able to conclude that the adoption of the going concern assumption continues to be appropriate.

As at date of signing of accounts, the Company are still completing re-financing exercise, which will be completed within timeframe set.

x) **Financial Instruments**

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised cost model. Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in surplus or deficit. At each year end, the instruments are revalued to fair value, with the movements posted to the Statement of Comprehensive Income (unless hedge accounting is applied). The group and association have not adopted hedge accounting for the financial instruments.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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

	Turnover £'000	Operating Costs £'000	Operating Surplus £'000	Operating Surplus for previous period of account £'000
Social lettings (Note 3a)	28,673	27,095	1,578	3,038
Other activities (Note 3b)	1,253	1,022	231	75
Total	29,926	28,093	1,809	3,113
2021	29,026	25,913	3,113	

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

	Turnover £'000	Operating Costs £'000	Operating Surplus £'000	Operating Surplus for previous period of account £'000
Social lettings (Note 3a)	28,616	26,968	1,648	2,997
Other activities (Note 3b)	1,146	1,022	124	86
Total	29,762	27,990	1,772	3,083
2021	28,806	25,723	3,083	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3a. GROUP PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM SOCIAL LETTING ACTIVITIES

	2022	2021
	£'000	£'000
Rent receivable net of Service Charges	27,746	26,537
Service Charges	815	769
Gross income from rents and service charge	28,561	27,306
Less voids	(1,937)	(1,473)
Net income from rents and service charges	26,624	25,833
Grants from the Scottish Ministers	1,635	1,281
Other Income	414	782
Total turnover from social letting activities	28,673	27,896
Management and maintenance administration costs	11,914	11,222
Planned and cyclical maintenance inc major repair costs	2,805	2,309
Reactive maintenance costs	4,350	4,525
Bad Debts - rents and service charge	270	74
Depreciation of social housing	7,732	6,728
Operating costs for social letting activities	27,071	24,858
Operating Surplus for Letting Activities	1,602	3,038
2021	3,038	

The above information relates to General Needs Housing only as RCH do not have any shared ownership or supported housing properties. The total amount of Job Retention Scheme income received was £29,390 (2021-£434,021). This has been included within "Other Income".

The total amount of major repairs expenditure incurred in the year was £6,763,973 (2021-£3,197,973). Major repairs of £5,666,489 (2021-£2,996,301) were capitalised in the year.

RIVER CLYDE HOMES AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

3a. COMPANY PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM SOCIAL LETTING ACTIVITIES

	2022 £'000	2021 £'000
Rent receivable net of Service Charges	27,746	26,537
Service Charges	815	769
Gross income from rents and service charge	28,561	27,306
Less voids	(1,937)	(1,473)
Net income from rents and service charges	26,624	25,833
Grants from the Scottish Ministers	1,635	1,281
Other Income	357	551
Total turnover from social letting activities	28,616	27,665
Management and maintenance administration costs	11,914	11,222
Planned and cyclical maintenance inc major repair costs	2,702	2,119
Reactive maintenance costs	4,350	4,525
Bad Debts - rents and service charge	270	74
Depreciation of social housing	7,732	6,728
Operating costs for social letting activities	26,968	24,668
Operating Surplus for Letting Activities	1,648	2,997
2021	2,997	

The above information relates to General Needs Housing only as RCH do not have any shared ownership or supported housing properties. The total amount of Job Retention Scheme income received was £9,905 (2021-£213,052). This has been included within "Other Income".

The total amount of major repairs expenditure incurred in the year was £6,763,973 (2021-£3,197,973). Major repairs of £5,666,489 (2021-£2,996,301) were capitalised in the year.

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

3b. GROUP PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

	Grants from Scottish Ministers £'000	Restricted revenue grants £'000	Supporting people income £'000	Other income £'000	Total Turnover £'000	Other operating costs £'000	Year to 2022 Operating Surplus/(Deficit) £'000	Year to 2021 Operating Surplus/(Deficit) £'000
Support activities	-	-	181	496	677	582	95	(3)
Homefact	-	-	-	279	279	279	-	-
Support & Connect	-	-	-	-	-	-	-	43
Social Housing Fuel Support Fund	-	27	-	-	27	27	-	-
Homelessness Prevention	-	77	-	-	77	82	(5)	23
Analogue to Digital Telecare Transition	50	-	-	-	50	-	50	-
Short Term Grant Funding	-	42	-	-	42	45	(3)	14
Cycle Scotland	-	-	-	15	15	7	8	(2)
Other activities	-	-	-	86	86	-	86	-
Total from other activities	50	146	181	876	1,253	1,022	231	75
2021	100	156	181	693	1,130	1,055	75	

Grants awarded have only been spent for the purposes intended.
During the year there was no other surplus or deficit from other activities other than that noted above.

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RIVER CLYDE HOMES AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

3b. COMPANY PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

	Grants from Scottish Ministers £'000	Restricted revenue grants £'000	Supporting people income £'000	Other income £'000	Total Turnover £'000	Other operating costs £'000	Year to 2022 Operating Surplus/(Deficit) £'000	Year to 2021 Operating Surplus/(Deficit) £'000
Support activities	-	-	181	389	570	582	(12)	(3)
Homefact	-	-	-	279	279	279	-	-
Support & Connect	-	-	-	-	-	-	-	43
Social Housing Fuel Support Fund	-	27	-	-	27	27	-	-
Homelessness Prevention	-	77	-	-	77	82	(5)	23
Analogue to Digital Telecare Transition	50	-	-	-	50	-	50	-
Short Term Grant Funding	-	42	-	-	42	45	(3)	14
Cycle Scotland	-	-	-	15	15	7	8	(2)
Other activities	-	-	-	86	86	-	86	11
Total from other activities	50	146	181	744	1,146	1,022	124	86
2021	100	156	181	704	1,141	1,055	86	

Grants awarded have only been spent for the purposes intended.
During the year there was no other surplus or deficit from other activities other than that noted above.

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4a. Tangible Fixed Assets - Group and Company - Housing Properties

All properties were transferred to the Company at nil value as part of the Large Scale Voluntary Stock Transfer from Inverclyde Council. During the year, 30 properties have been demolished, resulting in a £7,150 loss (2021: £41,753). All such properties had a £nil value. Security has been granted to lenders in respect of housing properties and net cumulative interest capitalised on housing properties at 31 March 2022 amounted to £nil (2021: £nil).

	Housing Properties Held for Letting £'000	Housing Properties Held for Construction £'000	Totals £'000
Cost			
At 1 April 2021	233,025	44,147	277,172
Additions during the period	6,213	13,163	19,376
Transferred during the period	45,562	(45,562)	-
Disposals during the period	(406)	-	(406)
At 31 March 2022	284,394	11,748	296,142
Depreciation			
At 1 April 2021	46,633	-	46,633
Provided during the period	7,732	-	7,732
Disposals during the period	(86)	-	(86)
At 31 March 2022	54,279	-	54,279
Net Book Value			
As at 31 March 2022	230,115	11,748	241,863
As at 31 March 2021	186,392	44,147	230,539

Social Housing Grant is repayable under certain circumstances. The amount relating to asset disposal during the year is £289,318 (2021: £49,666).

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4b. Tangible Assets - Group – other

	Furniture and Fittings £'000	Plant and Machinery £'000	Computer Equipment £'000	Total £'000
Cost				
At 1 April 2021	57	169	3,085	3,311
Additions during the period	-	26	9	35
Disposals during the period	-	-	-	-
At 31 March 2022	57	195	3,094	3,346
Depreciation				
At 1 April 2021	57	101	2,923	3,081
Provided during the period	-	42	149	191
Disposals during the period	-	-	-	-
At 31 March 2022	57	143	3,072	3,272
Net Book Value				
As at 31 March 2022	-	52	22	74
As at 31 March 2021	-	68	162	230

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4b. Tangible Assets - Company – other

	Furniture and Fittings £'000	Computer Equipment £'000	Total £'000
Cost			
At 1 April 2021	57	3,085	3,142
Additions during the period	-	9	9
Disposals during the period	-	-	-
At 31 March 2022	57	3,094	3,151
Depreciation			
At 1 April 2021	57	2,923	2,980
Provided during the period	-	149	149
Disposals during the period	-	-	-
At 31 March 2022	57	3,072	3,129
Net Book Value			
As at 31 March 2022	-	22	22
As at 31 March 2021	-	162	162

None of the Company's properties are held under lease agreements.

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4c. Intangible Assets - Group

	Computer Software £'000	Website Development £'000	Arrangement Fee £'000	Total £'000
Cost				
At 1 April 2021	807	63	828	1,698
Additions during the period	238	-	-	238
Disposals during the period	-	-	-	-
At 31 March 2022	1,045	63	828	1,936
Depreciation				
At 1 April 2021	712	57	497	1,266
Provided during the period	142	6	165	313
Disposals during the period	-	-	-	-
At 31 March 2022	854	63	662	1,579
Net Book Value				
As at 31 March 2022	191	-	166	357
As at 31 March 2021	95	6	331	432

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4c. Intangible Assets - Company

	Computer Software £'000	Website Development £'000	Arrangement Fee £'000	Total £'000
Cost				
At 1 April 2021	807	63	828	1,698
Additions during the period	85	-	-	85
Disposals during the period	-	-	-	-
At 31 March 2022	892	63	828	1,783
Depreciation				
At 1 April 2021	712	57	497	1,266
Provided during the period	92	6	165	263
Disposals during the period	-	-	-	-
At 31 March 2022	804	63	662	1,529
Net Book Value				
As at 31 March 2022	88	-	166	254
As at 31 March 2021	95	6	331	432

5. Stock	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
General stock	287	284	-	-
	287	284	-	-

The cost of stock recognised as an expense during the year amounted to £0.6 million (2021: £0.5 million).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6a. Debtors due within one year	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Rent arrears	1,862	1,776	1,862	1,776
Less: bad debt provision	(1,275)	(1,158)	(1,275)	(1,158)
	587	618	587	618
Prepayments	260	211	162	196
Intercompany Loan	-	-	497	497
Intercompany Debtors	-	-	1,207	972
Sundry debtors	1,138	1,078	1,160	1,051
Less: bad debt provision	(259)	(226)	(259)	(226)
	1,139	1,063	2,767	2,490
Grant receivable	565	102	565	102
	2,291	1,783	3,919	3,210

In October 2016, RCH entered into an intercompany loan agreement of £0.5 million with its subsidiary Home Fix Scotland. The interest associated with this loan agreement is 5% per annum. The loan is repayable on demand.

6b. Debtors due after more than one year	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Sundry debtors	267	289	267	289
	267	289	267	289

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Creditors due within one year

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	335	47	335	47
Other taxation and social security	218	216	200	215
Rents in advance	267	267	310	267
Deferred Capital Grant (Note 9)	1,579	1,666	1,579	1,666
Loan	33,733	2,021	33,733	2,021
Intercompany creditors	-	-	1,627	1,290
Accruals and other creditors	7,302	7,613	6,500	6,878
	43,434	11,830	44,284	12,384

8. Creditors due after one year

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Deferred Capital Grant (Note 9)	100,279	101,374	100,279	101,374
Loan	84,213	103,147	84,213	103,147
	184,492	204,521	184,492	204,521

Loans

Loans are repayable in instalment due as follows: -	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
In one year or less	33,733	2,021	33,733	2,021
Between one and two years	2,367	33,733	2,367	33,733
Between two and five years	10,581	8,920	10,581	8,920
In five years or more	71,265	60,494	71,265	60,494
	117,946	105,168	117,946	105,168

The Company holds loan facilities of £91.5m and £25.3m with RBS and Nationwide respectively.

The Company holds two terms loans with RBS and a revolving credit facility. Term loan A accrues interest at a fixed rate of 6.09% per annum and is repayable by March 2035. Term loan B accrues interest at SONIA +1.5% per annum and is repayable by way of bullet payment in 2028. The revolving facility accrues interest at SONIA +1.25% per annum and is repayable in 2023.

The Company holds one term loan with Nationwide and a revolving credit facility. The term loan accrues interest at 6.14% fixed per annum and is repayable in March 2038. The revolving facility accrues interest at SONIA +1.45% per annum and is repayable in 2023.

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Creditors due after one year (continued)

The Company's loan facilities are secured by a standard security over 5,669 of the Company's properties and contains a negative pledge. This security is held by Prudential Trustee Company Limited as Security Trustee for the aforementioned finance parties.

Energy Trust Loans of £0.5 million are repayable over 5 years (£0.1 million within one year) and have no interest charge. Scottish Government Loans of £0.6 million are repayable over 3 years (£0.2 million within one year) and have no interest charge.

9. Deferred Capital Grant

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Opening Balance	103,040	99,275	103,040	99,275
Grant Received in the Year	628	5,105	628	5,105
Capital Grant Impaired	(289)	(26)	(289)	(26)
Capital Grant Released	(1,521)	(1,314)	(1,521)	(1,314)
	101,858	103,040	101,858	103,040
Amounts to be Released within One Year	1,579	1,666	1,579	1,666
Amounts to be Released after One Year	100,279	101,374	100,279	101,374
	101,858	103,040	101,858	103,040

10. Employees – Group

	2022	2021
	No.	No.
The average full time equivalent number (including key management personnel) of persons employed by the Company during the period were as follows:	274.3	290.2
Group Services	39.3	40.2
Strategic Leadership Team	9.5	8.9
Customer Services	112.7	119.0
Home Fix Scotland	112.8	122.1
The average number of persons employed by the Company during the period	276	306
	£'000	£'000
Wages and salaries	8,743	9,037
Social security costs	856	880
Other pension costs	2,236	1,807
Staff costs during period	11,835	11,724

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
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10. Employees – Group (continued)

Key Management Personnel are defined as the members of the Board, the Chief Executive and any other person reporting directly to the Chief Executive or the Board whose total emoluments exceed £60,000 per year.

The total number of staff members whose emoluments exceeded £60,000 per year was 11 (2021: 10).

The number of the Key Management Personnel whose emoluments, excluding pension contributions, were over £60,000 per annum were as follows

	No.	No.
	2022	2021
	£'000	£'000
£60,001 to £70,000	-	-
£70,001 to £80,000	-	-
£80,001 to £90,000	-	-
£90,001+	3	3
Aggregate emoluments for the above Key Management Personnel (excluding pension contributions)	497	395
The emoluments of the Chief Executive (excluding pension contributions)	138	136
Aggregate pension contributions in relation to the above key management personnel	57	47

There were redundancy costs of 369,285 in the year (2021: £23,871). The Chair of the Boards received emoluments of £5,000 (RCH Board) and £4,075 (HFS Board) in the year (2021: £5,385 and £3,965) in respect of their services to the Group.

11. Pension Obligations

The Company's employees belong to two Pension funds, the Strathclyde Pension Fund which is part of the Local Government Pension Scheme (LGPS), and the Scottish Housing Associations' Pension Scheme. Pension payments outstanding at the end of the financial year totalled £39,471 (2021: £54,467) and £193,151 (2021: £198,912) respectively.

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Pension Obligations – The Strathclyde Pension Fund (continued)

(i) The Strathclyde Pension Fund is a defined benefit scheme which provides benefits based on the final pensionable salary, the assets of which are held in a separate trustee administered fund. The pension costs are assessed with the advice of independent qualified actuaries, using the projected unit method.

The assumptions and other data that have the most significant effect on the determination of the contribution levels of this scheme are as follows:

	31/03/2022 % per annum	31/03/2021 % per annum
Retail Price Inflation	3.85	3.35
Increase in salaries	3.9	3.6
Increase in pension and deferred pensions	3.2	2.85
Discount rate	2.7	2

The Company's share of assets in the scheme and expected rate of return were:

	31/03/2022 Assets 2022 £'000	31/03/2021 Assets 2021 £'000
Equities	31,775	32,215
Bonds	13,535	11,226
Property	5,726	4,393
Cash	1,041	976
Total	52,057	48,810

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Pension Obligations – The Strathclyde Pension Fund (continued)

The mortality assumptions for those aged 65 adopted at 31 March 2022 imply the following life expectancies:

	Males	Females
Current Pensioners	19.6 years	22.4 years
Future Pensioners	21.0 years	24.5 years

Net Pension Liability

	31/03/2022 £'000	31/03/2021 £'000	31/03/2020 £'000	31/03/2019 £'000	31/03/2018 £'000
Estimated Employer Assets	52,057	48,810	41,008	42,839	40,532
Present Value of funded liabilities	(49,731)	(52,446)	(43,279)	(48,839)	(43,562)
Present Value of unfunded liabilities	(1,768)	(1,899)	(1,653)	(1,929)	(1,850)
Net Pension Asset/(Liability)	558	(5,535)	(3,924)	(7,929)	(4,880)

In line with the stated accounting policy and having given due consideration to the requirements of FRS 102, the Directors have determined that recognition of the net pension asset within the financial statements is not appropriate given the lack of quantifiable economic benefit the Group expects to receive and the undeterminable timing of any inflow should it arise. The Board have consulted with external professionals when making this assessment.

	31/03/2022		31/03/2021	
	%	£'000	%	£'000
Expected return on Assets	69.7	970	45.2	940
Interest on pension scheme liability	(69.2)	(1,086)	(50.6)	(1,032)
Net Gain/(Loss) (B)	0.5	(116)	(5.4)	(92)
Net Revenue Account Costs (A) - (B)	45.9	921	57.1	1,229

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Pension Obligations – The Strathclyde Pension Fund (continued)

Analysis of the amount charged to operating profit

	31/03/2022		31/03/2021		31/03/2020		31/03/2019		31/03/2018	
	%	£'000	%	£'000	%	£'000	%	£'000	%	£'000
Service costs	46.4	1,038	51.7	803	37.3	1,019	46.0	947	40.4	1,011
Past service costs	0.0	0	0.0	0	2.5	67	0.0	0	0.0	0
Total Operating Charge (A)	46.4	1,038	51.7	803	39.8	1,086	46.0	947	40.4	1,011

Analysis of the amount in Statement of Total Recognised Surpluses and Deficits

	2022	2021
	£'000	£'000
Opening Balance Losses	(5,097)	(3,743)
Actuarial gain/(loss)	6,743	(1,354)
Impact of irrecoverable surplus	(558)	-
Increase/(Decrease) in Irrecoverable Surplus from Membership	-	-
Actuarial gain/(loss) on assets and liabilities recognised in Comprehensive Income	6,155	(1,354)
Cumulative Actuarial Gain/(Losses)	1,088	(5,097)

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
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11. Pension Obligations – The Strathclyde Pension Fund (continued)

Movement in pension deficit during the year

	2022	2021
	£'000	£'000
Deficit at beginning	(5,535)	(3,924)
Current Service cost	(1,038)	(803)
Past Service cost	-	-
Expected Return on Employers assets	970	940
Interest Costs	(1,086)	(1,032)
Employers contribution	504	638
Actuarial gain/(loss)	6,743	(1,354)
Actuarial loss on asset ceiling	(558)	-
Pension deficit at end of year	-	(5,535)

ii. Scottish Housing Association Pension Scheme is a multi-employer defined benefit scheme managed by the Pension Trust. Contributions are charged to the Statement of Comprehensive Income to spread the cost of pensions over the employees' working lives within the Company.

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

	2022	2021
	£'000	£'000
Fair value of plan assets	13,148	11,236
Present value of defined benefit obligation	12,092	11,369
Surplus/(Deficit) in plan	1,056	(133)
Unrecognised surplus	1,056	-
Defined benefit asset (liability) to be recognised	-	(133)

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	2022
	£'000
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial gains on asset ceiling	1,056
Impact of asset ceiling at end of period	1,056

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Pension Obligations (continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	2022 £'000
Defined benefit obligation at start of period	11,369
Current service cost	1,261
Expenses	6
Interest expense	269
Contributions by plan participants	366
Actuarial losses (gains) due to scheme experience	531
Actuarial losses (gains) due to changes in demographic assumptions	32
Actuarial losses (gains) due to changes in financial assumptions	(1,622)
Benefits paid and expenses	(120)
Defined benefit obligation at end of period	12,092

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

	2022 £'000
Fair value of plan assets at start of period	11,236
Interest income	264
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	346
Contributions by the employer	1,056
Contributions by plan participants	366
Benefits paid and expenses	(120)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	13,148

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2022 was £610,000.

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
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11. Pension Obligations (continued)

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

	2022 £'000
Current service cost	1,261
Expenses	6
Net interest expense	5
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)	1,272

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	2022 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	346
Experience gains and losses arising on the plan liabilities - gain (loss)	(531)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(32)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,622
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	1,405
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	(1,056)
Total amount recognised in other comprehensive income - gain (loss)	349

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Pension Obligations (continued)

ASSETS

	2022	2021
	£'000	£'000
Global Equity	2,600	1,738
Absolute Return	603	554
Distressed Opportunities	471	384
Credit Relative Value	422	324
Alternative Risk Premia	543	451
Emerging Markets Debt	489	453
Risk Sharing	429	402
Insurance-Linked Securities	276	235
Property	341	201
Infrastructure	821	627
Private Debt	331	265
Opportunistic Illiquid Credit	436	288
High Yield	128	294
Opportunistic Credit	46	307
Cash	36	4
Corporate Bond Fund	831	847
Liquid Credit	84	194
Long Lease Property	379	261
Secured Income	702	617
Over 15 Year Gilts	5	5
Liability Driven Investment	3,181	2,701
Currency Hedging	(48)	-
Net Current Assets	42	84
Total assets	13,148	11,236

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.

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Pension Obligations (continued)

KEY ASSUMPTIONS

	31/03/2022 % per annum	31/03/2021 % per annum
Allowance for commutation of pension for cash at retirement	75	75
Inflation (RPI)	3.35	3.17
Increase in salaries	4.09	3.88
Increase (CPI)	3.09	2.88
Discount rate	2.76	2.22

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

	Life expectancy at age 65 (Years)
Male Retiring in 2021	21.6
Female Retiring in 2021	23.9
Male Retiring in 2040	22.9
Female Retiring in 2040	25.4

12. Company limited by guarantee

The Company is a Company limited by guarantee and does not have a share capital. The liability of the members is limited to £1 each.

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Reconciliation of movement in reserves – Group

Income & Expenditure Reserve	2022	2021
	£'000	£'000
Opening funds	14,360	16,967
Deficit for period	(2,229)	(953)
Tfr to Restricted Reserve	(50)	(79)
Gift Aid	(61)	(11)
SHAPS Actuarial gain/(loss) on pension scheme	349	(210)
LGPS Actuarial gain/(loss) on pension scheme	6,185	(1,354)
Revenue reserve at end of year	18,554	14,360

Restricted Reserves	2022	2021
	£'000	£'000
Opening funds	181	102
Movement in the Year	50	79
Restricted Reserve	231	181

Restricted Reserve Detail	Opening Funds	Movement in Year	Balance
	£'000	£'000	£'000
Support & Connect	70	-	70
Homelessness Prevention Fund	23	(5)	18
Short Term Grant	14	(3)	11
Digital Telecare	-	50	50
Cycle Scotland	74	8	82
Restricted Reserve	181	50	231

13. Reconciliation of movement in reserves – Company

Income & Expenditure Reserve	2022	2021
	£'000	£'000
Opening funds	14,240	16,840
Deficit for period	(2,235)	(957)
Tfr from Restricted Reserve	(50)	(79)
SHAPS Actuarial gain/(loss) on pension scheme	349	(210)
LGPS Actuarial gain/(loss) on pension scheme	6,185	(1,354)
Revenue reserve at end of year	18,489	14,240

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Reconciliation of movement in reserves – Company (continued)

Restricted Reserve Detail	Opening Funds £'000	Movement in Year £'000	Balance £'000
Support & Connect	70	-	70
Homelessness Prevention Fund	23	(5)	18
Short Term Grant	14	(3)	11
Digital Telecare	-	50	50
Cycle Scotland	74	8	82
Restricted Reserve	181	50	231

14. Notes to the Cash Flow Statement – Group

	2022 £'000	2021 £'000
a) Reconciliation of operating surplus to Net cash inflow from operating activities		
Operating surplus	1,809	3,113
Depreciation	8,150	7,138
Pension – employee income	866	180
Capital Grant Released	(1,810)	(1,340)
Increase in debtors	(487)	(93)
Increase in stock	(3)	(31)
Decrease in creditors	(2,069)	(517)
Net cash inflow from operating activities	<u>6,456</u>	<u>8,450</u>
b) Reconciliation of net cash flow to movement in net debt		
Decrease in cash for the period	(1,431)	(751)
Loans received	(14,800)	(11,000)
Loan repayments	2,022	1,736
Change in net debt	<u>(14,209)</u>	<u>(10,015)</u>
Opening Net debt	(103,231)	(93,216)
Net debt as at 31 March 2022	<u>(117,440)</u>	<u>(103,231)</u>

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Notes to the Cash Flow Statement – Group (continued).

c) Analysis of changes in net debt

	As at 01/04/21 £'000	Cash Flow £'000	Other Changes £'000	As at 31/03/22 £'000
Cash at bank and in hand	3,003	(1,431)	-	1,572
Debt due within one year	-	-	-	-
Debt due after one year	(106,234)	(12,778)	-	(119,012)
	(103,231)	(14,209)	-	(117,440)

14. Notes to the Cash Flow Statement – Company

	2022 £'000	2021 £'000
a) Reconciliation of operating surplus to Net cash inflow from operating activities		
Operating surplus	1,772	3,083
Depreciation	8,058	7,111
Pension – employee income	866	180
Capital Grant Released	(1,810)	(1,340)
Increase/(Decrease) in debtors	(662)	1,017
Decrease in creditors	(1,772)	(564)
Net cash inflow from operating activities	6,452	9,487
b) Reconciliation of net cash flow to movement in net debt		
(Decrease)/Increase in cash for the period	(1,191)	512
Loans received	(14,800)	(11,000)
Loan repayments	2,022	1,736
Change in net debt	(13,969)	(8,752)
Opening Net debt	(102,804)	(94,052)
Net debt as at 31 March 2022	(116,773)	(102,804)

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Notes to the Cash Flow Statement – Company (continued).

c) Analysis of changes in net debt

	As at 01/04/21 £'000	Cash Flow £'000	Other Changes £'000	As at 31/03/22 £'000
Cash at bank and in hand	2,362	(1,191)	-	1,171
Debt due within one year	-	-	-	-
Debt due after one year	(105,166)	(12,778)	-	(117,944)
	(102,804)	(13,969)	-	(116,773)

15. Unit numbers under management

	2022 No.	2021 No.
Cottage	2,007	1,941
Flat	608	596
Maisonette	72	97
Multi-Storey	837	836
Tenement	2,564	2,357
	6,088	5,827

16. Related Parties

Various members of the Board are Tenants of the Company. The transactions with the Company are all done on standard terms, as applicable to all Tenants. During the year £10,402 (2021: £4,923) of rent was receivable from these tenant members. At the year-end there were £nil (2021: £nil) of rent arrears due from these tenant members. There are also Councillors from Inverclyde Council on the Board. Any transactions with Inverclyde Council are made at arm's length, on normal commercial terms and these Board members cannot use their position on the Board to their or the Council's advantage.

17. Auditors Remuneration

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fees payable to the auditor and its associates for the audit of the financial statements (including VAT)	21	19	15	14
Fees payable to the auditor and its associates in relation to taxation services	1	1	-	-

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Annual Operating Leases-Group and Company

	<u>2022</u> <u>£'000</u>		<u>2021</u> <u>£'000</u>	
	<u>Land & Buildings</u>	<u>Other Assets</u>	<u>Land & Buildings</u>	<u>Other Assets</u>
Leases < 1 year	283	519	306	443
Leases 1 - 5 years	1,133	342	1,133	713
Leases > 5 years	2,102	-	2,384	-
	3,518	861	3,823	1,156

All the above leases relate to land, buildings, IT infrastructure and plant and machinery. The cost of operating leases recognised as an expense during the year amounted to £0.8 million (2021: £0.9 million).

19. Interest Payable and Other Charges

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Banks and Building Society Loans	3,910	3,933	3,909	3,933

20. Capital Commitments

	2022	2021
	£'000	£'000
Expenditure authorised by the Board	33,467	55,709
less certified	(32,866)	(42,671)
	601	13,038

All above commitments are expected to be funded by grant or private finance

21. Tax on Profit on Ordinary Activities

	2022	2021
	£'000	£'000
<i>Current Tax:</i>		
UK corporation tax on profits of current year	5	-
Adjustments in respect of previous periods	-	-
Total current tax	5	-
<i>Deferred tax:</i>		
Origination and reversal of timing differences	-	-
Effect of increased tax rate on opening liability	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	5	-

RIVER CLYDE HOMES AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

22. Financial Instruments

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Financial Assets				
Cash and Cash Equivalents	1,572	3,003	1,171	2,362
Financial assets that are debt instruments measured at amortised cost	<u>2,348</u>	<u>1,861</u>	<u>3,999</u>	<u>3,303</u>
Financial Liabilities				
Financial liabilities measured at amortised cost	<u>125,565</u>	<u>113,316</u>	<u>126,918</u>	<u>113,865</u>

Financial assets that are debt instruments measured at amortised cost comprise rental arrears, other debtors and amounts owed by fellow group companies.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed to fellow group companies, accruals and bank loans.



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