

**SCOTTISH VETERANS RESIDENCES**

**ANNUAL REPORT  
and  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2022**

**SCOTTISH VETERANS RESIDENCES**

**ANNUAL REPORT and FINANCIAL STATEMENTS**

**For the year ended 31 December 2022**

<b>Contents</b>	<b>Page</b>
Reference and administration	1
Report of the Governing Body	2 – 8
Chairman’s statement	9
Independent auditor’s report	10 - 12
Report of the auditor to the Governing Body on corporate governance matters	13
Statement of comprehensive income	14
Statement of changes in capital and reserves	15
Statement of financial position	16
Statement of cash flows	17
Notes to the financial statements	18 - 30

## **SCOTTISH VETERANS RESIDENCES**

### **Members of the Governing Body**

Brigadier (Retired) George Lowder MBE (Chairman)  
Mr Jonathan Tweedie FSI BA (Hons) (Vice-Chairman)  
Lieutenant Ray Gidney RN  
Major Christian Taylor  
Squadron Leader Derek Morrison  
Mr Iain Lindsay MNWB (resigned 17 May 2022)  
Capt Andrew Cassels MNWB (Appointed 17 October 2022)  
Ms Sue Bomphray  
Mr Richard Edlmann  
Reverend Neil Gardner MA BD  
Mr Troy Johnson  
Mr Tony Jones KC  
Mr Clive Masson  
Ms Isla Tabberer  
Mr Sandy Telfer

### **Chief Executive and Company Secretary**

Brigadier (Retired) Martin Nadin OBE  
53 Canongate  
Edinburgh  
EH8 8BS  
Tel No: 0131 556 0091  
Email: [ceo@svronline.org](mailto:ceo@svronline.org)

#### **Treasurer**

Chiene+Tait LLP (trading as CT)  
61 Dublin Street  
Edinburgh  
EH3 6NL

#### **SVR Registered Office**

53 Canongate  
Edinburgh  
EH8 8BS

#### **Banker**

Royal Bank of Scotland  
36 St Andrew Square  
Edinburgh  
EH2 9QG

#### **External Auditor**

Wylie & Bisset (Audit) Ltd  
168 Bath Street  
G2 4TP

#### **Internal Auditor**

TIAA  
Artillery House  
Fort Fareham  
Newgate Lane  
Fareham  
PO14 1AH

#### **Investment Manager**

Rathbones Investment Managers  
Pier Head  
Port of Liverpool Building  
Liverpool  
L3 1NW

#### **Solicitors**

Balfour+Manson  
56-66 Frederick Street  
Edinburgh  
EH3 6NL

T C Young  
7 West George Street  
Glasgow  
G2 1BA

#### **Registration Information**

Financial Conduct Authority  
Scottish Housing Regulator  
Office of the Scottish Charity  
Regulator  
Care Inspectorate

Registered Number SP1937RS  
Registered Number 180  
Charity Number SC012739  
  
Provider Number SP2004005816

## SCOTTISH VETERANS RESIDENCES

### REPORT OF THE GOVERNING BODY

#### For the year to 31 December 2022

Scottish Veterans' Residences (SVR) Governing Body presents its Annual Report and audited Financial Statements for the year ended 31 December 2022.

#### PRINCIPAL ACTIVITY

The Charity is principally concerned with the management and operation of three housing support services for military veterans and former members of the Merchant Navy; Rosendael in Dundee, Whitefoord House in Edinburgh, and Bellrock Close in Glasgow, and the provision of 45 Scottish Secure Tenancy, affordably rented, houses and flats in these cities. The Charity is also responsible for developing and implementing a strategy to assist with the future housing needs of vulnerable ex-Service/Merchant Navy personnel who are in need.

SVR is a Registered Social Landlord and is regulated principally by the Scottish Housing Regulator (SHR), the Care Inspectorate, and the Office of the Scottish Charity Regulator. SVR is a member of Veterans Scotland, and the Confederation of Service Charities, individually and collectively helping to shape policy and legislation affecting Veterans. In Scotland, the Charity is a member of the Scottish Federation of Housing Associations, the Tenant Participation Advisory Service, and the Scottish Housing Network. It liaises with the Cross-Party Group of the Scottish Parliament for Armed Forces and the Veterans Community, the Scottish Veterans Commissioner, and the Cabinet Secretary for Veterans to identify and address key issues affecting Veterans.

#### REVIEW OF OPERATIONS

**Overview.** Having emerged relatively unscathed from the pandemic, the Charity has had to cope with the fallout and consequences of Putin's illegal invasion of Ukraine. The principal impact has been that of inflation causing significant increases in energy, food, and materiel costs. This not only increased operating costs, but also had a detrimental financial impact on beneficiaries and employees. Measures were taken to provide additional support to our Residents, Tenants, and staff.

Residence annual rental income was below forecast and budget, principally due to an increase in void levels at Whitefoord House during the first 6 months of 2022. Its performance improved during the second half of the year. The war in Ukraine caused a downturn in worldwide stock markets. Consequently, our portfolio suffered an unrealised loss, but continued to perform well, relative to the benchmarks. Operating cost expenditure increased principally due to inflationary pressure, particularly from increased food, maintenance, and service costs.

**Occupancy Levels.** Occupancy of our Bellrock Close and Rosendael Residences held up reasonably well throughout 2022. Occupancy levels at Whitefoord House were, higher than the 10% budgetary and sector appropriate target during January to June, with a modest improvement in performance during the latter half of the year. Overall, we provided housing support services for 203 veterans during 2022; an increase from the 194 we supported in 2021. Our Voids & Allocations Officers continue to contact large numbers of individuals and agencies on a weekly basis to ensure they are aware of the vacancies and services offered by the Charity. We have continued to receive referrals and contacts as a Referral Partner of the Veterans Gateway.

**Property Development and Maintenance.** As in 2021, the primary focus in 2022 was on keeping our Residences and tenanted properties safe. We ensured all SVR properties remained compliant with legislative requirements such as gas, electrical, and fire safety and that they remained at or above the Scottish Housing Quality Standard. We undertook a significant amount of preventative maintenance work following a detailed legionella survey of the Residences, recognised in the Duty of Care Internal Audit Report, which reported Substantial Assurance. Generous grants from ABF - The Soldiers' Charity, and the Queen Mary's Roehampton Trust, helped to fund major overhauls of the lifts at Rosendael and Whitefoord House.

## SCOTTISH VETERANS RESIDENCES

### REPORT OF THE GOVERNING BODY (continued)

For the year to 31 December 2022

#### REVIEW OF OPERATIONS (continued)

**Resident Activities.** We have continued to receive funding from the Armed Forces Covenant Fund Trust as a member of the Scottish Veterans Welfare Alliance, and the Scottish Veterans Fund in support of our Join In Live Well Officer based at Rosendael, and an Activities Officer based at Whitefoord House. These roles are very effective in encouraging Veterans to undertake activities that enrich their lives, build their confidence, and contribute to their physical and psychological wellbeing. Through such grants, we also provide internal and external activities to non-resident Veterans who can access these through self, or third-party referral.

**Quality.** Our Residences continue to provide high quality support. Whitefoord House and Rosendael remain graded by the Care Inspectorate (CI) as VERY GOOD in 3 areas and GOOD in 2 areas. Bellrock Close also received a VERY GOOD Grade and 2 GOOD Grades. We have recognised that since our last inspections, Health and Social Care standards have been updated and operate within a new quality framework to support the CI's scrutiny of regulated services. We are using the revised framework for housing support services, to self-evaluate and scrutinise our services and develop improvement plans.

**Digitalisation.** The employment of our own Information Technology Manager helped us to complete our digitalisation project. We have improved the Wi-Fi access in our 3 locations, to the benefit of Residents and staff alike, seamlessly migrated all our data to The Cloud, rationalised our intranet and enhanced its functionality, closed down our on-premises servers, and digitalised telephony across our sites. An online portal has been created for Residents and staff, which provides a resource that is rich in relevant and interesting content including online courses for digital skills, self-development and education, as well as acting as a notice board and means of communicating with the charity.

We now consider SVR to be a digitally connected organisation; one that is able to communicate and share data securely and effectively. Our next step will be to link the data and information in our network so that it automatically produces the reports and returns that we require.

**Sustainability.** We have continued to identify the ways and means by which we can improve the Charity's sustainability, energy and thermal efficiency. A conservation survey of the whole Whitefoord House Campus was completed and we continue to explore opportunities for partnerships to draw down funding and conserve the estate sympathetically. In a volatile energy market, significant effort was expended to seek out longer term contracts to allow us to plan and budget with increased certainty. With the exception of one vehicle, all our vehicles are now fully electric, and we have installed electric vehicle charging points at each of our Residences. We expect to publish a Sustainability Strategy during 2023.

#### GOVERNANCE

**Organisation.** Responsibility and accountability for SVR is vested in its Governing Body. Its membership includes ex-officio members from the 3 Armed Services and the Merchant Navy Welfare Board to form a Governing Body of 14 Members. The Governing Body meets quarterly where the Members are advised by the Chief Executive and the Treasurer. The Governing Body has delegated authority to 3 Sub-Committees for the governance of specific business areas:

- Audit and Risk Committee;
- Investment, Remuneration and Finance Committee; and
- Quality Committee.

The Chief Executive is responsible for the day to day management of SVR with the support of the management team, the Treasurers, and the HR Consultant. The Chief Executive advises the Governing Body on strategy. The Governing Body is ultimately responsible for decision making.

The Governing Body submitted its fourth Annual Assurance Statement (AAS) to the Scottish Housing Regulator. This confirmed full compliance with the SHR's Governance Standards contained within its regulatory framework.

## SCOTTISH VETERANS RESIDENCES

### REPORT OF THE GOVERNING BODY (continued)

#### For the year to 31 December 2022

#### GOVERNANCE (continued)

**Governing Body.** The Governing Body remains predominantly male (85.7% male and 14.3% female), and white (92.9% white and 7.1% BAME). These are largely reflective of, and comparable with, the UK Veteran population; (10% female Veterans in 2016, expected to grow to 13% by 2028<sup>1</sup>); and (1% BAME Veterans in 2017<sup>2</sup>). In addition to reflecting the UK Veteran population, the Governing Body has significant cognitive diversity through its breadth of Members' employment, experience, and interests. It also recognises that a number of Members have been so for a significant period of time. All are keen to remain as Members and they continue to add value to the Charity. None receive remuneration for their role in the Governing Body.

**Reserves.** Throughout the year, the Investment, Remuneration and Finance Committee (IRFC) paid particular attention to the Charity's reserves held within its investment portfolio. The market was volatile and exhibited a downward trend throughout the year. Relative to its benchmarks, the portfolio was very well managed. The portfolio experienced an unrealised capital loss of 7.7% over the calendar year.

SVR's reserves are invested within a risk spectrum recommended by the IRFC following consultation with the Investment Manager and agreed by the Governing Body. They are invested for the long-term with a 10+ year horizon. The latest review examined the nature of income and expenditure streams and the need to ensure the availability of reserves to meet future demands. The Governing Body concluded that the level of reserves is appropriate to support the current level of work undertaken by the organisation and that it should retain sufficient financial reserve for a twelve-month period, in the event of a catastrophic reduction in funding. To this end it seeks to set aside:

- £5m as a contingency should significant structural repairs or maintenance be required to our aged, listed buildings of Rosendael and Whitefoord House, or for a significant increase in demand to accommodate Veterans;
- £1.9m to provide 12 months staff salaries; and
- £2.1m to provide 12 months operating costs.

#### Internal Audit

Our internal auditor, TIAA, conducted 3 audits during 2022; Core Financial Controls; GDPR; and Duty of Care. Reasonable Assurance was achieved for the former, and Substantial Assurance for GDPR, and Duty of Care. The Chief Executive is responsible for addressing the recommendations to improve assurance across the 3 business areas and reports progress to the Audit and Risk Committee.

#### KEY PERFORMANCE INDICATORS<sup>3</sup>

SVR reports on its performance against a series of indicators defined in the Scottish Social Housing Charter and completes an Annual Return on the Charter (ARC).

The percentage of Residents and Tenants satisfied with the overall service was 84.5% and 82.5% for value for money. The Charity recognises the need to improve continually. In normal circumstances, as part of that process, each Residence holds quarterly meetings for Residents, attended by a member of the Governing Body. Post pandemic, Tenants will have the opportunity to meet with the Chief Executive; every 6 months for the Bellrock Close Tenants, and at their request, every 3 months for the Gilmerton and Whitefoord House Tenants, for open discussion to address their desire to be more informed and involved in the decision-making process. In 2022, we published our Tenant Participation Strategy setting out the Charity's aspirations for tenant engagement and involvement in decision-making.

100% of the Charity's tenancies meet the Scottish Housing Quality Standard and National Home Energy Rating/Standard Assessment Procedure. 98.7% meet or, in most instances, exceed the Energy Efficiency Standards for Social Housing with just one dwelling exempt on technical, cost and listing grounds.

<sup>1</sup> MoD Population Projection in UK Armed Forces Veterans residing in GB 2016-2018 published 10 January 2019.

<sup>2</sup> MoD Population Survey: UK Armed Forces Veterans residing in GB, 2017 published 31 January 2019.

<sup>3</sup> Based on 103 interviews of Residents/Tenants for the Annual Return on the Social Housing Charter 2021.

## **SCOTTISH VETERANS RESIDENCES**

### **REPORT OF THE GOVERNING BODY (continued)**

**For the year to 31 December 2022**

#### **KEY PERFORMANCE INDICATORS (continued)**

Other key performance indicators measured during the year are tenant turnover, void losses, bad debts, and operating costs per unit.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

SVR recognises the importance of effective identification, evaluation, and management of all key strategic and operational risks. This is a requirement set out in the SHR's Regulatory Standards. Risk Management covers the whole spectrum of risks and not just those associated with finance, health and safety, business continuity and insurance. It also includes risks associated with service provision, effectiveness and continuity, reputation, compliance with legislation and regulation, and environment.

The principal risks facing the Charity are:

- Financial risk management including the impact of significantly increased inflation on cashflow and reserves, and the potential costs of achieving carbon net-zero targets;
- Business continuity and disaster recovery including prevention of and recovery from cyber-crime; and
- Infectious disease outbreak in a Residence.

The financial and business continuity risks are articulated on our Strategic Risk Register. With the Covid-19 pandemic now under control in the UK, and with infection prevention and control measures lifted, the Governing Body made the decision to transfer the infectious disease outbreak risk to the Operational Risk Register for management by the Senior Management Team.

The Governing Body currently considers the financial and business continuity to be adequately mitigated through the following circumstances and measures:

- A significant majority of our income is maintained through payment of Universal Credit and consequently we are able to maintain cashflow. Our reserves are invested broadly in UK and Overseas equity, alternatives, fixed interest, and cash. Equities are both geographically and sectorally diversified. SVR has no loans or mortgages. We have begun to examine the potential costs of achieving carbon net-zero targets and working with partners we expect to drawdown grants to at least partially offset costs.
- We have a business continuity management policy and IT disaster/cyber-attack recovery plans, and we are being assisted in the development and revision of our broader crisis response and restoration of business plans. Staff are alert to the risk of cyber-crime and receive training. We have completed the digitalisation of the Charity, updated our firewalls and security systems, and migrated all data to the cloud.

#### **~~CJ9FB-B; 6C8MB~~ FINANCIAL RESPONSIBILITIES**

**Statement of the Governing Body.** Housing Association legislation requires the Governing Body to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Charity, and its income and expenditure for that period. In preparing those financial statements the Governing Body is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Governing Body is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Charity. It is also responsible for taking adequate steps to safeguard the assets of the Charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

## SCOTTISH VETERANS RESIDENCES

### REPORT OF THE GOVERNING BODY (continued)

For the year to 31 December 2022

#### **; CJ9FB-B; 6 C8 MB FINANCIAL RESPONSIBILITIES (continued)**

**Internal Financial Controls.** The Governing Body is responsible for the Charity's system of internal financial controls. The approach adopted to provide effective financial controls is summarised as:

- An appropriate control environment has been created by careful recruitment and training of staff and provision of comprehensive guidance on the standards and controls to be applied throughout the Charity;
- Management Information Systems have been developed to provide accurate and timeous data on all aspects of the business. Management accounts comparing actual results against budget are presented to the Governing Body quarterly;
- Major business risks and their financial implications are assessed systematically by reference to established criteria;
- The financial implications of major business risks are controlled by means of delegated authorities, which reserve significant matters to the Governing Body for decision, segregation of duties in appropriate areas, and physical controls over assets and access to records;
- The Governing Body monitors the operation of the internal financial control system by considering regular reports from management and the internal and external auditors and ensures appropriate corrective action is taken to address any reported weaknesses; and
- An additional level of assurance is provided through the accounting support of the Treasurers.

The internal audit of core financial controls conducted in 2022 achieved Reasonable Assurance. The Governing Body is satisfied that action is in hand to address the 3 action points identified during the audit (2 important and 1 routine) and following receipt of the audit report confirms it has reviewed the effectiveness of the Charity's system of internal financial controls as it operated during the year under review. Such a system can provide only reasonable assurance against material misstatement or loss.

**Governing Body Membership.** Members of the Governing Body who held office during 2022 and to date are shown on page 1. In accordance with the Charity's Rules, the following retired in rotation at the Annual General Meeting:

- Richard Edlmann;
- Troy Johnson; and
- Tony Jones

All offered themselves for re-election and were re-elected.

**Disclosure of Information to the Auditor.** To the knowledge and belief of each of the persons who are members of the Governing Body at the time the report is approved:

- So far as the Governing Body Members are aware there is no relevant information of which the Charity's auditor is unaware; and
- They have taken all the steps they ought to have taken as Member of the Governing Body to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of the information.



**SCOTTISH VETERANS RESIDENCES**

**REPORT OF THE GOVERNING BODY (continued)**

**For the year to 31 December 2022**

**; C J 9 F B - B ; ' 6 C 8 M B ' FINANCIAL RESPONSIBILITIES (continued)**

**Auditor.** In practicing good governance, the Governing Body undertook a tender for external audit services. RSM UK Audit LLP declined to re-tender and resigned with effect 13<sup>th</sup> January 2023. It confirmed that there were no circumstances connected with the resignation that it considered should be brought to the attention of the Governing Body. Following a review of tenders. Wylie & Bisset (Audit) Limited was selected and appointed as external auditor.

**Signed on behalf of the Governing Body**

A large black rectangular redaction box covering the signature of the Chairman of the Governing Body.

**Brigadier (Retired) G E Lowder MBE  
Chairman of the Governing Body**

24 May 2023

## **SCOTTISH VETERANS RESIDENCES**

### **7 < 5 - F A 5 B B ' G H 5 H 9 M E N T**

#### **For the year to 31 December 2022**

The illegal invasion of Ukraine by Russia has had significant worldwide impacts. Including, but not exclusively, the viability of supply chains, the availability of commodities and raw materials, inflation, and volatility within world stock markets. Having coped remarkably well with the challenges of the Covid-19 pandemic, Scottish Veterans' Residences (SVR) found itself under inflationary pressure and facing different headwinds throughout 2022. This was particularly so in relation to the costs of energy, food, salaries and building and maintenance materials; the core resources required for our service delivery.

Faced with this challenge, the Governing Body has had to adopt a particularly prudent and cautious approach. Balancing the Charity's ambition for development, with the availability of resources and the continued delivery of core services and outputs. One of the impacts has been on our ambition to be an early contributor to carbon reduction and to improve the Charity's sustainability. Whilst we have continued to develop our knowledge and examine the ways and means in which we can reduce emissions and improve our estate's thermal and energy efficiency, we have to maintain the financial stability and viability of the Charity. We conclude that once we have identified the range of measures available to us, we will prioritise them, and time their implementation in accordance with their impact, feasibility and availability of financial resource. Key components of this approach will be collaboration and securing external funding.

Despite these challenges, I am very pleased that we were able to provide additional support to our Residents, Tenants and Staff to mitigate the cost-of-living crisis. SVR remains financially strong and stable. We have been fortunate not to have had to draw down any of our reserves to maintain services and our cashflow remains healthy.

We were also able to complete our digitalisation programme. The expected benefits of digitalisation; smoother and faster data sharing and communication, opportunity for remote working, and improved cyber security have started to be realised. Additional benefits have also become evident, particularly in improving digital access for Residents. We are now turning our attention to automating processes, data collection and report and return generation.

None of this would have been achievable without the significant effort and hard work of SVR's Staff and the continued engagement and contribution by Members of the Governing Body. We have dedicated considerable effort over the last six years towards ensuring that our governance is as sound as it possibly can be. The breadth of skills and expertise within the Governing Body is impressive and just what SVR currently needs. I am truly grateful to every one of the Staff and Governing Body and extend my sincere thanks to them all. In keeping with the good governance theme it is appropriate that after seven years as Chair, I will stand down in September 2023, handing over to the Vice Chair. It has been a privilege and an honour to lead the charity through a governance review, a global pandemic and a cost of living crisis. The fact that we are emerging from this in great shape is testimony to the new Executive Team, all the Staff, the Governing Body and all our Supporters and Friends. Thank you.

I commend this report to you.



**Brigadier (Retd) G Lowder MBE**  
**Chairman of the Governing Body**

24 May 2023

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCOTTISH VETERANS RESIDENCES**

### **Opinion**

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

In our opinion the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The Governing Body are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCOTTISH VETERANS RESIDENCES**

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Governing Body's Report.

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

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

We have nothing to report in respect of these matters.

### **Responsibilities of the Board of Management**

As explained more fully in the Governing Body's Responsibilities Statement set out on pages 7-8, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body 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 Governing Body are responsible for assessing the Charity'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 Governing Body either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCOTTISH VETERANS RESIDENCES

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

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

### **Audit response to the risks identified;**

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

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


### **▬XYdYbXYbhU X]rcfgEYdcfhlc`h`Y a Ya VYfg`cZGWcHjg\`J YHfUbg`F Yg]XYbWg**

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

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

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

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



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

24 May 2023

## **REPORT OF THE AUDITOR TO THE GOVERNING BODY**

### **ON CORPORATE GOVERNANCE MATTERS**

#### **For the year ended 31 December 2022**

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 6 and 7 concerning the Charity'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 of the requirements of corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council through enquiry of certain members of the Governing Body and officers of the Charity and examination of relevant documents. The Bulletin does not require us to review the effectiveness of the Charity's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

#### **Opinion**

In our opinion the Statement on Internal Financial Control on pages 6 and 7 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.



#### **Wylie and Bisset**

Statutory Auditor  
168 Bath Street  
Glasgow  
G2 4TP

24 May 2023

**SCOTTISH VETERANS RESIDENCES****STATEMENT OF COMPREHENSIVE INCOME****For the year to 31 December 2022**

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		£	£
<b>Turnover</b>	2	4,375,956	4,195,017
Operating expenditure	2	(4,590,961)	(4,384,569)
<b>Operating (deficit)</b>		(215,005)	(189,552)
Interest receivable		1,968	91
Investment Income		197,183	163,251
<b>(Deficit) before tax</b>	5	(15,854)	(26,210)
Taxation	8	-	-
<b>(Deficit) for the year</b>		(15,854)	(26,210)
(Loss)/Gain on disposal of investments		(13,444)	127,628
Unrealised (loss)/profit on investments	9	(873,844)	886,874
<b>Total comprehensive (expenditure)/income for the year</b>		(903,142)	988,292

There were no discontinued operations during the year. As a consequence, the results relate wholly to continuing activities.

The notes on pages 18 to 30 form part of these financial statements.

**SCOTTISH VETERANS RESIDENCES****STATEMENT OF CHANGES IN CAPITAL AND RESERVES****As at 31 December 2022**

	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Restricted Funds</b>	<b>Total Funds</b>
	£	£	£	£
Balance at 1 January 2022	12	18,593,975	251,490	18,845,477
Surplus from statement of total Comprehensive (expenditure)/income	-	(946,305)	43,163	(903,142)
Shares issued/(cancelled)	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>12</b>	<b>17,647,670</b>	<b>294,653</b>	<b>17,942,335</b>
	=====	=====	=====	=====
Balance at 1 January 2021	12	17,675,159	182,014	17,857,185
Surplus from statement of total Comprehensive income	-	918,816	69,476	988,292
Shares issued/(cancelled)	-	-	-	-
<b>Balance at 31 December 2021</b>	<b>12</b>	<b>18,593,975</b>	<b>251,490</b>	<b>18,845,477</b>
	=====	=====	=====	=====


The notes on pages 18 to 30 form part of these financial statements.



**SCOTTISH VETERANS RESIDENCES****STATEMENT OF FINANCIAL POSITION****As at 31 December 2022**

	Note	£	2022 £	£	2021 £
<b>Fixed assets</b>					
Investments	9	8,651,950	9,389,644		
Housing properties	10	12,788,635	12,931,825		
Other fixed assets	11	420,692	403,192		
		-----	-----		
			21,861,277		22,724,661
<b>Current assets</b>					
Trade and other debtors	12	216,167	315,837		
Cash and cash equivalents	13	818,339	927,715		
		-----	-----		
			1,034,506		1,243,552
<b>Creditors:</b> amounts falling due within one year	14	415,708	499,390		
		-----	-----		
<b>Net current assets</b>			618,798		744,162
			-----		-----
<b>Total assets less current liabilities</b>			22,480,075		23,468,823
			-----		-----
<b>Creditors:</b> amounts falling due after more than one year	14	4,537,740	4,623,346		
		-----	-----		
<b>Net assets</b>			17,942,335		18,845,477
			=====		=====
<b>Capital and reserves</b>					
Share capital	15		12		12
Revenue reserves	16	17,647,670	18,593,975		
Restricted reserves	17	294,653	251,490		
		-----	-----		
			17,942,335		18,845,477
			=====		=====

Approved and authorised for issue by the Governing Body and signed on its behalf by:

.....  
  
 Brigadier (Retd) G Lowder MBE

Chairman

.....  
  
 Mr J Tweedie FSI BA (Hons)

Vice Chairman

.....  
  
 Brigadier (Retd) M N Nadin OBE

Chief Executive and Secretary

24 May 2023

The notes on pages 18 to 30 form part of these financial statements.

**SCOTTISH VETERANS RESIDENCES****STATEMENT of CASHFLOWS****For the year ended 31 December 2022**

	<b>2022</b>	<b>2021</b>
	£	£
<b>Cash flows from operating activities</b>		
Deficit for the year	(15,854)	(26,210)
Interest received	(1,968)	(91)
Investment income	(197,183)	(163,251)
Government grants utilised in year	(85,607)	(85,607)
Depreciation of tangible fixed assets	364,471	340,015
Movement in share capital	-	-
Decrease/increase in trade and other debtors	99,670	(155,688)
Decrease/increase in trade and other creditors	(83,682)	77,570
	-----	-----
Net cash flow from operating activities	79,847	(13,262)
	-----	-----
<b>Net cash generated from operating activities</b>	<b>79,847</b>	<b>(13,262)</b>
	-----	-----
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(238,781)	(152,077)
Purchase of investments	(1,129,261)	(1,154,206)
Proceeds from sale of investments	558,847	1,362,955
Decrease/(increase) in funds held by investment managers	420,821	(319,733)
Interest received	1,968	91
Investment income	197,183	163,251
	-----	-----
Net cash flow from investing activities	(189,223)	(99,719)
	-----	-----
Net change in cash and cash equivalents in the year	(109,376)	(112,981)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>927,715</b>	<b>1,040,696</b>
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	<b>818,339</b>	<b>927,715</b>
	=====	=====

**Reconciliation of cash and cash equivalents**

	<b>2021 Cash flows</b>		<b>2022</b>
	£	£	£
Cash and cash equivalents	927,715	(109,376)	818,339
	=====	=====	=====

There is no debt and consequently a reconciliation of net debt is not required.

The notes on pages 18 to 30 form part of these financial statements.

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS****For the year to 31 December 2022**

The financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS102), the Statement of Recommended Practice for Social Housing Providers 2018 and the Determination of Accounting Requirements 2019.

The presentation currency is £ sterling and the financial statements are rounded to the nearest £.

**Legal Status**

Scottish Veterans Residences is registered under the Co-operative and Community Benefit Societies Act 2014 No.1937RS and is a registered Scottish charity No.SC012739. Scottish Veterans Residences is registered as a housing association with the Scottish Housing Regulator under the Housing (Scotland) Act 2010. The principal activity of the Charity is the provision of social housing and thus the Charity is considered a public benefit entity. The registered office is 53 Canongate, Edinburgh, EH8 8BS.

**1. Accounting policies**

- (a) The financial statements are prepared on the historical cost basis, modified to include certain instruments at fair value.
- (b) Turnover comprises rental and service charge income receivable in the period (less voids) and revenue grants receivable in the period. Grant income is recognised when all the conditions have been met and the charity is entitled to the income.
- (c) The administration expenses other than items of direct cost are allocated on a staff time-cost basis.
- (d) Fixed assets are shown at cost less accumulated depreciation. In accordance with the RSL SORP, housing properties are held as property, plant and equipment rather than investment property as the properties are held to fulfil a social housing need.
- (e) Depreciation and impairment of fixed assets:

**Housing properties**

Depreciation is provided on a straight line basis over the estimated useful economic lives of component categories.

Useful economic lives for identified components are as follows:

<b>Component</b>	<b>Useful economic life</b>
Structure	75 years
Roof	50 years
Windows and doors	25 years
Bathrooms	25-30 years
Ensuites and electrical system	30 years
Kitchens	20-30 years
Boilers, McClaggan Suite	20 years
Lifts, pipework & radiators	15-20 years

Land is not depreciated.

Where works to existing housing properties enhance the economic benefit of owning the properties or where a component of the housing property that has been treated separately for depreciation purposes is replaced, the cost of such work is capitalised. An enhancement of economic benefits will be recognised where the works will result in increased rental income, a reduction in maintenance costs or an extension of the expected useful life of the properties. All other works are charged to the statement of comprehensive income when incurred.

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2022****1. Accounting policies continued**

Impairment reviews are carried out when there are indicators of impairment. Reviews for indicators of impairment are carried out at each reporting date. Where impairment reduces the economic value of a group of properties to an amount less than the net book value, the impairment is charged to the Statement of Comprehensive Income. Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost less residual value of such assets over their expected useful life as follows:

Equipment	-	10 to 25% per annum - straight line
Computer equipment	-	25% per annum - straight line
Motor vehicles	-	25% per annum - straight line

- (f) The Charity operates a defined contribution pension scheme for certain management staff. The retirement benefits are funded by both employer and employee contributions. The pension contributions are charged to the Statement of Comprehensive Income when payable.
- (g) Social Housing Grant (SHG) is receivable in respect of qualifying development costs as determined by Communities Scotland from time to time. SHG is repayable under certain circumstances, primarily following the sale of a property but will normally be restricted to the net proceeds of sale.

Capital grants are accounted for using the accrual model and are recognised in income on systematic basis over the useful life of the related housing asset. The Charity uses the useful lives of the relevant components that grants were provided for, including structure, to calculate the amortisation.

- (h) Investments have been included at fair value being their quoted market price, at the balance sheet date. Realised gains and losses are recognised in the Statement of Comprehensive Income in the year in which they arise. Unrealised gains and losses are also recognised in the income and expenditure account in the year in which they arise.
- (i) The Governing Body has reviewed detailed budgets and cashflow forecasts up to 31 December 2024. This has included consideration of any potential impact of COVID-19. From a financial perspective COVID-19 is not expected to significantly impact the Charity, as a significant majority of the Charity's income is being maintained through payment of Universal Credit and consequently cashflow has not been, and is not expected to be, significantly adversely affected. The Charity has a healthy cash position and the investments are readily available to convert to cash if required and thus the Governing Body is satisfied that there are sufficient resources in place to continue operating for the foreseeable future which is defined as at least 12 months from the date of signing the financial statements. The Governing Body therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.
- (j) The Charity has basic financial instruments comprising short term debtors, cash and cash equivalents and creditors. These assets and liabilities are initially recorded at cost and in respect of other assets and liabilities at the amount expected to be received or paid.
- (k) In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.
- (l) The Governing Body members are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied in apportioning the cost of housing properties between constituent components and in determining the depreciation rates which have been deemed to be appropriate for the class of asset or asset component and in determining the appropriate level of bad debt provision for rental arrears.

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2022****2. Particulars of turnover, operating costs and operating surplus/(deficit)**

<b>2022</b>	<b>Turnover</b>	<b>Operating Costs</b>	<b>Operating surplus or (deficit) 2021</b>
	£	£	£
Affordable letting activities (note 3)	4,060,518	4,296,562	(236,044)
Other activities (note 4)	315,438	294,399	21,039
	-----	-----	-----
Total	4,375,956	4,590,961	(215,005)
	=====	=====	=====
<b>2021</b>	<b>Turnover</b>	<b>Operating Costs</b>	<b>Operating surplus or (deficit) 2021</b>
	£	£	£
Affordable letting activities (note 3)	3,726,130	3,988,203	(262,073)
Other activities (note 4)	468,887	396,366	72,521
	-----	-----	-----
Total	4,195,017	4,384,569	(189,552)
	=====	=====	=====

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2021****3. Particulars of turnover, operating costs and operating surplus from social letting activities**

<b>2022</b>	<b>General Needs Social Housing £</b>	<b>Supported Housing Social Accomm- odation £</b>	<b>2022 Total £</b>
<b>Turnover</b>			
Rent receivable net of service charges	201,724	4,376,395	4,578,119
Service charges	22,375	-	22,375
	-----	-----	-----
Gross income from rents and service charges	224,099	4,376,395	4,600,494
Less: Voids	(5,707)	(620,171)	(625,878)
	-----	-----	-----
Net income from rents and service charges	218,392	3,756,224	3,974,616
Add: Donations			
Grants released from deferred income	8,841	76,766	85,607
Other revenue grants	-	295	295
	-----	-----	-----
<b>Total turnover from social letting activities</b>	<b>227,233</b>	<b>3,833,285</b>	<b>4,060,518</b>
	-----	-----	-----
Management and maintenance administration Costs	63,702	926,386	990,088
Services costs	28,654	2,445,084	2,473,738
Planned and cyclical maintenance including major repair costs	48,295	298,546	346,841
Reactive maintenance costs	28,284	138,830	167,114
Bad debts - rents and service charges	1,265	35,470	36,735
Depreciation of affordable housing properties	82,578	199,468	282,046
	-----	-----	-----
<b>Operating costs for affordable letting activities</b>	<b>252,778</b>	<b>4,043,784</b>	<b>4,296,562</b>
	-----	-----	-----
<b>Operating (deficit)/ surplus for affordable letting activities</b>	<b>(25,545)</b>	<b>(210,499)</b>	<b>(236,044)</b>
	=====	=====	=====

There was no other accommodation other than General Needs Housing and Supported Housing Accommodation.

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2020****3. Particulars of turnover, operating costs and operating surplus from social letting activities**

<b>2021</b>	<b>General Needs Social Housing £</b>	<b>Supported Housing Social Accomm- odation £</b>	<b>2021 Total £</b>
<b>Turnover</b>			
Rent receivable net of service charges	202,548	4,167,698	4,370,246
Service charges	22,375	-	22,375
	-----	-----	-----
Gross income from rents and service charges	224,923	4,167,698	4,392,621
Less: Voids	(13,525)	(738,573)	(752,098)
	-----	-----	-----
Net income from rents and service charges	211,398	3,429,125	3,640,523
Add: Donations	-	-	-
Grants released from deferred income	8,841	76,766	85,607
Other revenue grants	-	-	-
	-----	-----	-----
<b>Total turnover from social letting activities</b>	<b>220,239</b>	<b>3,505,891</b>	<b>3,726,130</b>
	-----	-----	-----
Management and maintenance administration costs	93,659	892,545	986,204
Services costs	24,675	2,179,626	2,204,301
Planned and cyclical maintenance including major repair costs	50,494	276,094	326,588
Reactive maintenance costs	29,598	94,249	123,847
Bad debts - rents and service charges	(1,379)	67,340	65,961
Depreciation of affordable housing properties	82,751	198,551	281,302
	-----	-----	-----
<b>Operating costs for affordable letting activities</b>	<b>279,798</b>	<b>3,708,405</b>	<b>3,988,203</b>
	-----	-----	-----
<b>Operating (deficit)/ surplus for affordable letting activities</b>	<b>(59,559)</b>	<b>(202,514)</b>	<b>(262,073)</b>
	=====	=====	=====

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2022****4. Particulars of turnover, operating costs and operating surplus or (deficit) from other activities**

	<b>Grants from Scottish Ministers</b>	<b>Other revenue grants</b>	<b>Supporting people income</b>	<b>Other income</b>	<b>Total turnover</b>	<b>Operating costs - bad debts</b>	<b>Other operating costs</b>	<b>Operating surplus or (deficit) 2022</b>
<b>2022</b>	£	£	£	£	£	£	£	£
Support activities	-	-	115,772	-	115,772	-	210,253	(94,481)
Other activities	-	-	-	199,666	199,666	-	84,146	115,520
<b>Total from other activities</b>	-	-	115,772	199,666	315,438	-	294,399	21,039
	=====	=====	=====	=====	=====	=====	=====	=====
	<b>Grants from Scottish Ministers</b>	<b>Other revenue grants</b>	<b>Supporting people income</b>	<b>Other income</b>	<b>Total turnover</b>	<b>Operating costs - bad debts</b>	<b>Other operating costs</b>	<b>Operating surplus or (deficit) 2021</b>
<b>2021</b>	£	£	£	£	£	£	£	£
Support activities	-	-	106,600	-	106,600	-	186,544	(79,944)
Other activities	-	-	-	362,287	362,287	-	209,822	152,465
<b>Total from other activities</b>	-	-	106,600	362,287	468,887	-	396,366	72,521
	=====	=====	=====	=====	=====	=====	=====	=====

There were no other activities other than the activities disclosed above.



**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2022**

<b>5. Surplus/(deficit) on ordinary activities before taxation</b>	<b>2022</b>	<b>2021</b>
	£	£
Surplus/(deficit) on ordinary activities before taxation is stated after:		
Depreciation	364,471	340,015
Auditor's remuneration for audit services (including VAT)	14,976	14,800
	=====	=====

**6. Emoluments and interests**

Directors are defined as the members of the Governing Body, the Chief Executive and Secretary and any other person reporting directly to the Chief Executive or the Governing Body whose total emoluments exceed £60,000 per annum. No emoluments were paid to any member of the Governing Body during the year.

	<b>2022</b>	<b>2021</b>
	£	£
Emoluments of the Chief Executive (excluding employer's national insurance and pension contributions)	81,353	78,144
	=====	=====
Total	81,353	78,144
	=====	=====

There were no other directors whose emoluments, excluding pension contributions, were above £60,000 for the year (2021: £Nil).

No expenses were payable to members of the Governing Body for out of pocket expenses (2021: £Nil).

During the year, the senior officers' emoluments (excluding employer's national insurance and pension contributions) fell within the following band distributions:

	<b>No.</b>	<b>No.</b>
More than £70,000 but not more than £80,000	-	1
More than £80,000 but not more than £90,000	1	-
	=====	=====

**7. Staff costs/employees**

	<b>2022</b>	<b>2021</b>
	£	£
Staff costs during the year:		
Salaries and wages	1,879,158	1,746,390
Social security costs	173,123	155,167
Other pension costs	128,906	128,801
Agency staff costs	108,787	107,837
	-----	-----
	2,289,974	2,138,195
	=====	=====

	<b>No.</b>	<b>No.</b>
The average monthly number of full time equivalent persons (including key management personnel)		
Managers	10	10
Other	62	68
	-----	-----
	72	78
	=====	=====

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2022****7. Staff costs/employees (continued)**

The Charity operates a defined contribution pension scheme for staff. The assets of the scheme are held separately from those of the Charity in an independently administered fund. There was £15,282 of outstanding pension contributions at the year end (2021: £14,239).

Key management personnel are considered to be the Chief Executive, Martin Nadin and the Deputy Chief Executive, George Corbett, whose total remuneration for 2021 was £141,099 (2021: £135,171) including pension contributions of £14,278 (2021: £15,069).

**8. Taxation**

Scottish Veterans Residences is a registered charity, Scottish Charity Number SC012739, and is not liable to income tax on its income under s478 to s489 CTA 2010.

**9. Investments**

	<b>2022</b>	<b>2021</b>
	£	£
Quoted Investments	8,264,300	8,581,173
Cash held as part of portfolio	387,650	808,471
	-----	-----
	8,651,950	9,389,644
	=====	=====
Fair value		
Opening balance at 1 January 2022	8,581,173	7,775,421
Additions	1,129,261	1,154,206
Disposals at market value	(572,290)	(1,235,328)
Change in net unrealised gains/(losses)	(873,844)	886,874
	-----	-----
Fair value at 31 December 2022	8,264,300	8,581,173
	=====	=====

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2022**

<b>10. Tangible fixed assets – Housing Properties</b>	<b>2022</b>	<b>2021</b>
	<b>Total</b>	<b>Total</b>
	£	£
<b>Property rehabilitation and development</b>		
<b>Cost</b>		
At 1 January 2022	17,301,526	7,301,526
Expenditure during the year	138,857	-
	-----	-----
Cost at 31 December 2022	17,440,383	17,301,526
	=====	=====
<b>Depreciation</b>		
At 1 January 2022	4,369,701	4,088,399
Charge for year	282,047	281,302
	-----	-----
At 31 December 2022	4,651,748	4,369,701
	=====	=====
<b>Net depreciated cost</b>	<b>12,788,635</b>	<b>13,213,127</b>
	=====	=====
<b>Net book value at 31 December 2022</b>	<b>12,788,635</b>	<b>12,931,825</b>
	=====	=====
<b>Net book value at 31 December 2021</b>	<b>12,931,825</b>	<b>12,931,825</b>
	=====	=====

Included in the cost of fixed assets is Land of £127,500 that is not depreciated (2021: £127,500)

	<b>Units in</b>	
	<b>Management</b>	
	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
The number of units of accommodation in management were as follows:		
General Needs Housing	45	45
Supported Housing Accommodation	159	159
	-----	-----
	204	204
	=====	=====

Total major repairs costs to existing properties during the year were £214,301 (2021: £80,438) of which £138,857 (2021: £Nil) was capitalised.

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2022**

<b>11. Tangible fixed assets - Other</b>	<b>Motor Vehicle</b>	<b>Equipment</b>	<b>Garden Room</b>	<b>2022 Total</b>	<b>2021 Total</b>
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2022	5,500	824,586	8,985	839,071	880,035
Disposals	-	-	-	-	(193,041)
Additions	-	99,924	-	99,924	152,077
	-----	-----	-----	-----	-----
Cost at 31 December 2022	5,500	924,510	8,985	938,995	839,071
	=====	=====	=====	=====	=====
<b>Depreciation</b>					
At 1 January 2022	5,500	425,438	4,941	435,879	570,208
Depreciation on disposals	-	-	-	-	(193,041)
Charge for year	-	81,526	898	82,424	58,712
	-----	-----	-----	-----	-----
At 31 December 2022	5,500	506,964	5,839	518,303	435,879
	=====	=====	=====	=====	=====
Net book value at 31 December 2022	-	417,546	3,146	420,692	403,192
	=====	=====	=====	=====	=====
Net book value at 31 December 2021	-	399,148	4,044		
	=====	=====	=====		
<b>12. Debtors</b>					
				<b>2022</b>	<b>2021</b>
				£	£
Rental arrears				145,279	231,747
Doubtful debt provision				(37,644)	(108,524)
				-----	-----
Sundry debtors and prepayments				107,635	123,223
				108,532	192,614
				-----	-----
				216,167	315,837
				=====	=====
<b>13. Cash and cash equivalents</b>					
			<b>At</b>		<b>At 31</b>
			<b>1 January</b>	<b>Movement</b>	<b>December</b>
			<b>2022</b>	<b>in year</b>	<b>2022</b>
			£	£	£
Cash at bank and in hand			927,715	(109,376)	818,339
			=====	=====	=====

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2022**

<b>14. Creditors</b>	<b>2022</b>	<b>2021</b>
	£	£
Amounts falling due within one year:		
Rent prepaid	58,232	97,376
Trade creditors	105,829	180,380
Accruals	61,745	78,581
Sundry creditors	60,383	17,270
Other taxes and social security	43,912	40,176
Deferred Housing Association Grant	85,607	85,607
	-----	-----
	415,708	499,390
	=====	=====
Amounts falling due after one year:		
Deferred Housing Association Grant	4,537,740	4,623,346
	=====	=====
	<b>2022</b>	<b>2021</b>
	£	£
Deferred Housing Association Grant		
Due within one year	85,607	85,607
Due between one and two years	85,607	85,607
Due between three and five years	256,821	256,821
Due after 5 years	4,195,312	4,280,918
	-----	-----
	4,623,347	4,708,953
Less: included in current liabilities above	(85,607)	(85,607)
	-----	-----
	4,537,740	4,623,346
	=====	=====
<b>15. Share capital</b>	<b>2022</b>	<b>2021</b>
	£	£
<b>Shares of £1 each issued and fully paid:</b>		
At 1 January	12	12
Issued/(Cancelled)	-	-
	-----	-----
At 31 December	12	12
	=====	=====
The shares carry no rights to interest or dividend and are neither withdrawable nor transferable.		
<b>16. Revenue reserves</b>	<b>2022</b>	<b>2021</b>
	£	£
Balance at 1 January	18,593,975	17,675,159
Surplus/(deficit) for the year	(946,305)	918,816
	-----	-----
Balance at 31 December	17,647,670	18,593,975
	=====	=====

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2022**

<b>17. Restricted reserves</b>	<b>2022</b>	<b>2021</b>
	£	£
Balance at 1 January	251,490	182,014
Surplus/(deficit) for the year	43,163	69,476
	-----	-----
	294,653	251,490
	=====	=====

	<b>Balance at 1 January 2022 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Balance at 31 December 2022 £</b>
Healthy Lives Officer Post	25,225	1,750	(8,466)	18,509
Glasgow Fund	-	1,301	-	1,301
Whitefoord Other	4,682	4,166	(4,481)	4,367
Rosendael Fund	221,583	27,050	(13,152)	235,481
Whitefoord Lift	-	36,000	(36,000)	-
Step off into Better Health	-	45,450	(18,680)	26,770
Jubilee Event	-	9,900	(9,669)	231
Wellbeing Alliance	-	22,500	(14,506)	7,994
	-----	-----	-----	-----
	251,490	148,117	104,954	294,653
	=====	=====	=====	=====

**Healthy Lives Officers Post**

Donations and or grants received to fund the salary of a Healthy Lives Officers Post and associated costs.

**Glasgow Fund**

The purpose of the fund is to hold monies which have been donated and or granted to Bellrock Close but for no specific purpose.

**Whitefoord Other**

The purpose of this fund is to hold monies which have been donated and or granted to Whitefoord House but for no specific purpose.

**Rosendael Fund**

The purpose of the fund is to hold monies which have been donated and or granted towards the development work to be carried out at Rosendael, which will be transferred when the work is undertaken.

**Whitefoord Lift**

The purpose of the fund is to hold monies which were donated for the lift replacement.

**Step off into Better Health**

The purpose of this fund is to hold monies which were granted for the activity officer and also for the ACVC for arts and crafts.

**Jubilee Event**

This was a grant to cover all three hoes putting on an event to celebrate the queens Jubilee.

**Wellbeing Alliance**

This was a grant to be received over two years totalling £60,000 for the join in live well officer and activities for non residents in Edinburgh & Glasgow.

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2022****17. Restricted reserves continued**

	<b>Balance at 1 January 2021 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Balance at 31 December 2021 £</b>
Healthy Lives Officer Post	19,820	36,750	(31,345)	25,225
Glasgow Fund	9,168	12,500	(21,668)	-
Whitefoord Other	16,246	5,100	(16,664)	4,682
Rosendael Fund	97,492	145,050	(20,959)	221,583
Family Support Fund	295	-	(295)	-
Art Clubs Fund	3,422	-	(3,422)	-
Cycling Scotland	697	-	(697)	-
Wellbeing Fund	34,874	87,332	(122,206)	-
	----- 182,014	----- 286,732	----- (217,256)	----- 251,490
	=====	=====	=====	=====

**18. Operating leases**

	<b>2022 £</b>	<b>2021 £</b>
Due in less than one year	11,312	-
Due between 2 and 5 years	13,198	-
	----- 24,510	----- -
	=====	=====

**19. Financial instruments**

	<b>2022 £</b>	<b>2021 £</b>
<b>Financial assets</b>		
Financial assets measured at amortised costs	216,167	315,837
Financial assets measured at fair value	8,651,950	9,389,644
	-----	-----
Balance at 31 December	8,868,117	9,705,481
	=====	=====
<b>Financial liabilities</b>		
Financial liabilities measured at amortised costs	286,189	373,607
	-----	-----
Balance at 31 December	286,189	373,607
	=====	=====

Financial assets measured at amortised cost comprise rental arrears and sundry debtors.

Financial assets measured at fair value comprise investments.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, sundry creditors and rent prepaid.