



BIELD HOUSING & CARE

# REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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# BOARD, DIRECTORS AND ADVISERS

## BOARD:

Lesley Holdsworth OBE, PhD,  
MPhil, FCSP, FFCI, FWCT, SRP,  
DPT (Chair)

Margaret Moore (Vice Chair)

Pat Dawson

Ingirid Deuling, Dip COT,  
COTSS-Housing,  
HCPC (Retired), BEM

William Smalley\*

Isabel McGarvie, B'Acc, CA, ATII

Graeme Russell BA(Hons) FCIH

Carole Lamond FCIPD, MAC

Robert Fernie, ACMA, CGMA  
(Vice-Chair)

Eric Lewis \*\*

Soumen Sengupta MBA, MSc,  
Bsc(Hons)  
(resigned 29 July 2021)

David Scobie, FRICS (resigned  
25 September 2021)

David Fisher BA (Hons), DipH,  
MBA, FRGS  
(co-opted 25 September 2021)

Elisabeth McNeil (co-opted 25  
September 2021)

## COMPANY SECRETARY:

Clare Beesley

## SENIOR MANAGEMENT TEAM:

### Chief Executive

Dr. Lynne Douglas Prof.D.MPhil  
BSC

### Business Development

Val Hunter, BSc, MRICS

### Finance & Technology

Paula Rice, BCom,  
BAccSc(Hons), CA(SA)

### Customer Services

Tracey Howatt CIHM

### People and OD

Nikki Ritchie BA, PGdip HRM,  
PGcert EL, MCIPD

## BANKERS:

The Royal Bank of Scotland plc  
36 St Andrew Square  
Edinburgh  
EH2 2YB

## SOLICITORS:

T C Young  
Melrose House  
69a George Street  
Edinburgh  
EH2 2JG

## EXTERNAL AUDITORS:

RSM UK Audit LLP  
Third Floor  
2 Semple Street  
Edinburgh  
EH3 8BL

## INTERNAL AUDITORS:

TIAA Ltd  
Artillery House  
Fort Fareham  
Fareham  
PO14 1AH

## REGISTERED OFFICE:

79 Hopetoun Street  
Edinburgh  
EH7 4QF

\* Tenant of Bield

\*\* Sharing Owner of Bield

# OPERATING AND FINANCIAL REVIEW

The Board presents its Operating and Financial Review and the audited financial statements for the year ended 31 March 2022. The Operating and Financial Review has been prepared in accordance with the ASB's Reporting Statement issued in January 2006 and is in line with the Housing SORP 2018 requirement to include a strategic report as part of this review.

## OVERVIEW OF BUSINESS

Bield Housing & Care ('Bield') is a charitable Registered Social Landlord (RSL) set up in 1971. Bield celebrated its 50th birthday in 2021 and reconfirmed our mission, vision and values. Our primary objective remains to improve the quality of life of older people by offering a diverse range of housing, care and other services. Our goal is to listen to what our customers are telling us and design our business to provide these services. We will focus on making sure that we can continue to deliver the services that customers need and value into the next half century. Bield has 5,345 properties in management located across Scotland.

We are primarily an older persons housing association where we deliver a range of supported housing services to our tenants. We also provide management services to owner occupiers in private retirement housing developments. We also have a community alarm service, Bield Response 24, which provides services to our tenants and other housing providers.

## GOVERNANCE & MANAGEMENT

Bield is governed by a dedicated voluntary Board and a full list of Board members is shown on page 3. The governance structure is based on the Scottish Federation of Housing Associations' Model Governing Rules. The Board is supported by the Audit & Risk and the People & Staff Governance Committees who provide specialist advice and have delegated responsibilities as defined in their committee remits. This structure strengthens the Board and provides a streamlined and efficient governance structure. The composition of the Board currently includes one Bield tenant and one sharing owner. The Board has adapted to the new ways of working and we continued to conduct virtual Board and Committee meetings throughout the year.

The Board has overall responsibility for managing Bield's strategic direction and governance and review of its operating performance and financial position. It is provided with timely and relevant information in order to discharge its duties. The Board is well equipped to bring independent judgement to bear on issues of strategy, performance, resource management and standards of conduct that are vital to the success of the business. The Board's skill mix is reviewed on a regular basis and new members are co-

opted or recruited to ensure that the necessary skill sets are available to carry out the duties of the governing body.

New Board members are led through an induction training programme and regular Board engagement sessions provide necessary updates on relevant topics throughout the year. The Chair carries out annual individual reviews of Board members, to ensure that they are sufficiently qualified and supported to enable them to contribute effectively. This is carried out through a conversation with the Chair of the Board, which assists in identifying learning and development needs, reviewing the contribution of individual members and ensuring adequate succession planning. Training and development of Board members remains a priority for the business.

Bield is managed by the Senior Management Team (SMT) of Directors. Details of the membership of the SMT are provided on page 3. The assessment of Director remits carried out as part of the organisational design work resulted in the creation of an additional Director post and the role of Director of People and Organisational Development was added to the SMT during the 2021/22 year.

## REGULATION

Bield operates within a heavily regulated sector but is primarily regulated by the Scottish Housing Regulator (Registration HEP71). Bield continues to be assessed by the Regulator as being 'systemically important' and has a high level of engagement with the regulatory body. Bield is assessed in this category as a result of Bield's primary business in relation to turnover size and significance within the area of operation. The Board and SMT continue to work closely with the Regulator and Bield has met all of the requirements from the regulation plan including the Annual Assurance Statement. Bield provided this statement confirming full compliance with the Regulatory Standards.

## STRATEGY AND OBJECTIVES

Bield's objectives and strategy are based on the Business Strategy covering a five-year period to 2022-23 which are reviewed and refreshed annually to take into account changing priorities and the volatile external environment that we are working in. The current year's Business Plan has needed to be responsive and adaptive and provide a strong basis for modernisation and emergence from the global pandemic. We continue to reinforce our long-term strategy and objectives looking forward to ensure we continue to remain relevant, sustainable and fit for purpose for the future.

## OUR VISION, MISSION AND VALUES

At the end of our 50<sup>th</sup> year Bield has reaffirmed its commitment to our core Vision, Mission and Values. The way that our core beliefs are delivered has needed to adapt and change to meet an ever more complex operating environment. The Business Strategy sets out our long-term goals and is aligned with our Vision, Mission and Values. It recognises that Bield operates in a fast-changing and dynamic external environment.

### ***Our Vision:***

A Scotland where people of all ages are respected, can make their own choices, and are able to lead independent and fulfilling lives.

### ***Our Mission:***

To improve the quality of life of older people by offering a diverse range of housing, care and other services.

### ***Our Values:***

Our seven values are especially important to us, they guide our approach to each other, our customers and partners.

**Caring, Honesty,  
Equality & Diversity,  
Dignity, Inclusion,  
Ambition, Kindness.**

Bield is committed to continuously improving its services for older people, involving an on-going programme of review and improvement. We are moving into the final year of our current Business Strategy that has seen us through a period of

global uncertainty and rapid change. Our aim is to 'Put our Customers First' by making them the heart of everything we do, and we will continue to do so as we move forward to develop our next strategy post 2023.

As we emerge from the Covid-19 pandemic and face a volatile operating environment we have adapted our Business Plan objectives to better deliver Bield's long term strategic goals. Covid has had a significant impact on all areas of society and Bield is no exception. Our Business Plan for the final year of the strategy reflects how the world has changed and has been updated to reflect the changing priorities of the wider housing sector. There is no doubt that the looming crisis with high inflation and rapidly rising energy prices will disproportionately impact our customers, and we are actively taking action on this over the next year. Equally, the improvements we make to our stock will help reduce energy waste, save money for our customers, and help in our goal of becoming a carbon net zero organisation by 2045.

Key external policy drivers identified as impacting on Bield are as follows:

- Emerging from the Covid-19 pandemic and transitioning to the 'new normal'
- Significant inflationary pressures on the wider economy
- Energy crisis and impacts on fuel poverty

- Housing to 2040 and the Scottish Government Affordable Housing Supply Programme (AHSP)
- Scottish Government – Digital Health Care strategy
- TAPPI Inquiry report – technology/digitisation for the aging population
- Scottish Government – National Care Service Review
- Energy Efficiency Standard for Social Housing (EESH2)
- Carbon Neutral / net zero targets - Achieving net zero in Social Housing (ZEST Report)

We are in the midst of a planned modernisation programme of our core processes and systems requiring significant investment and redesign. These programmes have been accelerated and will roll forward to form part of the 2022-23 Business Plan. Bield will emerge as a stronger, fit-for-purpose organisation valued by our tenants and staff. Any financial commitments arising from the Business Strategy are reflected in Bield's Annual Budget and long-term financial projections.

## ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

As a registered charity operating in the social housing environment, the prominence of ESG has been growing. As a sector we are already strongly engaged in all three measurements and are well placed to ensure that Bield adopts the underlying principles. It is recognised that it is critical that organisations take responsibility for their surrounding environment and society and Bield has committed to do so. The three areas of engagement are:

**Environment** – the environment and sustainability agendas are strongly emphasised within our core business plans and are part of the key objectives identified by the Social Housing Regulator measurements feeding into our regulatory commitments.

**Social** – the social impact on Bield's customers, staff, partners and wider communities is being proactively managed to deliver the maximum impacts.

**Governance** – Bield operates in a highly regulated sector, and is governed by a number of external regulatory bodies, ensuring there is a high level of commitment to effective governance across all parts of the organisation.

## TARGET MARKET & PRODUCTS

Bield is focused on providing housing and support services to people in need, primarily older people. We are committed to continue to be a leading provider of services to meet the complex needs of Scotland's rapidly growing older population. We will be focusing on innovation as a simple way to resolve challenges and create value from new ways of working. Our objectives look to better understand our challenges, consider our processes, support our tenants better, and maintain Bield at the forefront of older people services in Scotland.

Our strategy has been shaped by listening closely to our customers, staff and partners and by learning from best practice across the UK and our response to Covid-19. It has also been influenced by our external environment and the legislative, strategic and policy context in which we operate. The Social Housing agenda is big and encourages us all to think 20+ years ahead. It includes: our collective recovery from Covid-19; the Scottish Government's 'Housing to 2040'; the Climate Change Act 2019 and Plan (2018-32); the National Strategy for Older People; and Scotland's Digital Future.

Our plan is simple - we want to make sure that the views of our customers are included in the development of the services that we provide both now and in the future. We know our tenants want us to provide good quality homes and environments for them to live in, and that our services will enable them to be able

to participate in ways that they value within their Bield communities. The environment in which we operate has been volatile, where many of the issues affecting us are neither predictable nor under our control. We cannot underestimate the impact our tenants have faced due to the increased isolation for many of our tenants as a direct result of the pandemic, the energy crisis, and increasing pressures on the cost of living. Value for money is important for everyone and it is clear finances are difficult for many people. This year we want to look at our services and focus on the affordability of our rents and the costs of delivering these.

Research has identified that there will be a significant increase in demand for purpose built, tailored accommodation with aligned services over the next 25 years. The largest increases are predicted for those aged 75+ who are likely to need a wide range of specialist accommodation and aligned services. The needs and expectations of our customers are changing. The integration of the Digital Health agenda into the social housing sector is seeing a shift in the way housing providers are looking at their future service provision. Bield is committed to providing accommodation suited to an aging population which meets the expectations, aspirations and needs of older people in the future. We will be working over the next year to understand more clearly who our 'Customer of the future' will be and what they will need and expect from us as a leading housing provider.

## COVID-19 AND WIDER ECONOMIC ENVIRONMENT IMPACTS

As we move out of a pandemic footing there are many lessons that Bield has learned. We are still in a transitional phase and the impacts of Covid-19 will be felt for many years to come. Our operating environment has been fundamentally changed over the last two years as we emerge from Covid-19 and are faced with significant and complex supply chain issues, driven by the pandemic and Brexit. Our staff and services have operated throughout this period, and we have adapted and modified our priorities and delivery plans in order to make best use of our resources (both materials and people) to deliver our front-line services to our tenants and provide additional support to our communities. We have learnt a great deal over the last year about how resilient our staff are, how valued our services are and how vital we are for many of our vulnerable tenants.

The Covid experience has accelerated some of our change programmes relating to ways of working, virtual connectivity and digital capability which enabled our staff to work effectively during lockdown. We are reassessing which of these changes will be retained and built on, and where we can now return to the 'new normal' way of working. We believe that a hybrid approach to a more agile and flexible working style will emerge where we continue to focus on our digital change processes.

The Board have been kept informed of and have supported decisions made by the Management Team in response to the pressures resulting from the pandemic. As a business, Bield has continued to be sensitive to the needs of our staff and customers, supporting them, along with our partners in the best way we can.

## KEY RISKS IMPACTING ON FUTURE PERFORMANCE

Like all businesses, Bield faces a wide variety of business-related risks. The pandemic has altered some risk assessments and mitigation tools, but the fundamental operations of the business and key risks remain the same. Bield's approach to risk management is to ensure that an awareness of risk is embedded at all levels within the organisation and that an effective system is in place for monitoring and recording identified risks. The overarching Risk Management Framework outlines the responsibilities of Board members and staff.

Functional risk maps are developed to match as far as possible the responsibilities at Board, Committees and Senior Management level. The risk maps are reviewed by management and the Board with risks assessed using a rating method as to the level of risk to the organisation. Where new risks are identified or changes in circumstances lead to an alteration of assessment ratings, risk maps and mitigations are altered where appropriate. Regular reviews across the business help to reinforce the process of embedding a risk

management culture across the organisation. Appropriate control procedures and monitoring arrangements have been included within the relevant risk maps to ensure that risks are managed appropriately.

All risks will continue to be assessed, managed and controlled in accordance with the approved Risk Management Strategy. Bield will continue to accept risks inherent in the achievement of its Mission and Strategic Outcomes, as set out within the Business Strategy, provided these are properly assessed. Any risk which materially jeopardises Bield's ability to achieve its Mission or Strategic Outcomes or conduct its business will not be accepted.

The following main risks have been identified as the risks most likely to affect Bield's future performance:



## KEY RISKS IMPACTING ON FUTURE PERFORMANCE

Key Risk	Background and Mitigation of Risk
Energy Efficiency Standard for Social Housing (EESH2) and Net Zero	The social housing sector is committed to meeting the Scottish Government and Scottish Housing Regulator's net zero, carbon reduction and energy efficiency measures. To do this, we are conducting a full review of the Bield estate. We are prioritising investment in assets that do not meet the assessed standards. This is a challenging issue for the sector and we are looking for innovative solutions and new technology to help us meet the targets. Future investment will be required to ensure that we are able to meet our net zero commitments.
Inflationary increases and energy crisis	The external economic environment is extremely volatile and we are faced with significant and complex supply chain issues, driven by the pandemic, Brexit and the war in Ukraine. This is seen through increasing prices and shortage of materials and labour. Energy charges have risen sharply and the costs are fluid, we have a secured price through the Scottish Government for the current financial year but this has risen significantly higher than anticipated. We are putting in mechanisms where possible to reduce demand and attempt to control costs across all parts of the business.
Rent and Service Charge affordability	Rent affordability is a key area of concern for the business and we are working to ensure that rent increases remain affordable. The structure of our rents which include some service charges have placed pressure on the business. Bield provides heat and lighting as part of the rental and service charges for some tenants. The substantial increases in the energy market have been difficult to balance with the rent and service charge affordability. It is something that we will be closely monitoring going forward.
Coronavirus	The risks associated with the coronavirus pandemic have reduced and the transition to living with Covid-19 is a focus going forward. There is still a high risk to our staff and customers and the pandemic continues to impact Bield's operations and performance. Mitigations are in place to monitor and control these risks as well as possible within the current climate.
Increased pension deficits	The triennial valuation of the SHPS scheme as at 30 September 2020 has resulted in an extension of the deficit repayment term by a further 18 months to March 2028 with a material increase in the overall deficit value of the scheme and a requirement for increased future deficit contributions. Bield's financial projections include provision for this trend of increased employer contributions. It is difficult to mitigate this risk while still participating in a multi-employer pension scheme. Consideration of Bield's ongoing pension offer to staff will be given as part of the People Strategy.

## OPERATIONAL PERFORMANCE

A number of major projects were initiated or successfully completed during 2021-22, including:

- Despite the challenging environment with the pandemic continuing to impact our communities, we have seen a successful reduction in voids within the past 12 months.
- We have successfully piloted a new proactive telecare model with tenants in Bield working in partnership with Health & Social Care partnerships to aid the personalisation agenda and helping people live independently in their own homes. This has attracted revenue for the test and Bield were recognised as finalists in the Health & Social Care Digital awards.
- Bield Shared Ownership – The final units were sold in The Walled Gardens.
- BR24 teams continued to provide our services remotely during the pandemic and retained our TSA accreditation.
- We were shortlisted for our Inspire Proactive Telecare project at the Technology Enabled Independent Living Awards.
- The digital modernisation programme 'The Big Reboot' has continued to deliver digital change across the business overseen by our Digital Strategy Group.
- We reviewed and validated our reporting on the Scottish Social Housing Charter and put in place a significant improvement plan which has enhanced the quality of our submission.

## RESOURCES

### HOUSING STOCK

At 31 March 2022 Bield manages 5,345 properties, of which 4,614 are owned or in shared ownership by Bield, making it one of the largest RSLs in Scotland.

The aim of Bield is to have a common level of rents for all similar properties. The rent policy should be logical, consistent and easily applied. Bield's rent policy applies our three main objectives, affordability for the client group, financial viability for Bield and, marketability compared with its peer group.

At 31 March 2022, Bield had the following stock in management:

	2022	2021
Amenity	396	396
Retirement (including Sheltered)	2,750	2,750
Retirement Housing with Meals, Plus (including Very Sheltered)	1,190	1,190
General Needs	128	127
Resident Staff	1	2
Shared Ownership / Equity	149	151
Owner Services	730	797
<b>Total</b>	<b>5,345</b>	<b>5,413</b>

The Board recognises the need to maintain and improve existing housing stock. Bield is expecting to spend around £67m on maintaining its properties and improving the energy efficiency standards over the next five years. A Strategic Asset Survey is in progress which will review Bield's existing housing stock for redevelopment and re-provisioning. This level of expenditure will have a significant impact on the reserves balances that Bield currently holds and the cash requirements of the organisation. Bield has access to sufficient resources to carry out this plan.

## EMPLOYEES

Bield's people are a vital resource that help us to meet the needs of our customers. We rely on our dedicated and motivated workforce in order to deliver a high-quality service to our customers. Our committed staff have played an essential role throughout the pandemic in keeping our services safe and operational. During 2021-22, the average number of full-time equivalent staff employed by Bield was 462 (2020-21: 457).

The work on the Bield People Strategy has progressed over the past year. The review and development of people related policies, processes and procedures has been carried out with the feedback from staff through consultations with employee representatives and at the Employee Forum. Bield is committed to making sure that our key resource, our people, are well managed. We review performance against a number of wide-ranging benchmarks such as staff turnover levels, sickness absence, ethnic mix, gender and age profile against available statistics on a regular basis. Bield is committed to improving staff communications and involvement. Regular updates on all parts of the business are provided through CEO communications, SMT vlogs and the use of the intranet, Grapevine.

We continue to invest in the health and wellbeing of our staff and have recognised that the pandemic has been difficult for many people. The dedicated virtual Health & Wellbeing page for staff on our intranet site contains evidence-based materials that promote physical and mental wellbeing. We are committed to supporting good mental health practices in the workplace. We are able to offer staff resources to access should they have a pressing need and encourage staff to access confidential counselling services should it be required. The HR team are trained in Mental Health First Aid.

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities as are applications from other persons irrespective of gender, sexual orientation, marital status, age, religious belief, race or ethnic origin.

## INFORMATION & COMMUNICATIONS TECHNOLOGY (ICT)

The Covid-19 pandemic has changed the way that we work and emphasised how important our ICT infrastructure is to the daily operation of the business. It has highlighted areas where we are able to modernise and modify our systems, processes and practices, and large-scale projects are underway across the business to do this. We have taken the opportunity to upgrade and re-assess the ICT infrastructure and increase our use of technology to continue to deliver the most appropriate and best quality service for our customers while ensuring that our staff are also kept safe and secure.

Bield successfully transitioned into a remote working organisation for our non-development workforce. Staff expectations on the 'new normal' has meant we have been able to accelerate our hardware replacement programmes and the transfer of some core systems to the cloud. Our ICT modernisation programme or 'The Big Reboot' is being managed through a Digital Strategy Advisory Group (DSAG) which is looking at the wider digitisation projects across our offices and housing estate. We have progressed in our sector leading work to support the move from analogue to digital and have widened the scope of this project into our digital telecare business (BR24) which is at the vanguard of innovation and wider sector engagement.

## CONTINUOUS IMPROVEMENT

Bield is committed to the principle of continuous improvement which we have adopted within the Business Strategy 2018-23 to take on the challenges of the rapidly changing operating environment. The Senior Management Team and the Board are beginning the development of our next Business Strategy which will build on the significant modernisation programme that Bield has implemented. The Business Strategy and Performance Management Framework will continue to identify areas of the business for improvement.

## THE MODERN SLAVERY ACT 2015

The Modern Slavery Act 2015 requires certain organisations to provide information regarding their efforts to eliminate slavery and human trafficking in their supply chains. We carry out checks on our suppliers through pre-qualification questionnaires and/or tender documents. In doing so, we exclude any unsuitable companies. Once we engage a supplier, we make sure they have policies which are similar to ours and match our overall values.

The following statement sets out the position of Bield in compliance with the Act. *We strive to make sure that when we purchase goods and services we comply with all relevant laws and conduct ourselves in an open, honest and ethical manner.* We have included a Modern Slavery clause in our framework agreement for maintenance contractors. The clause describes the obligations upon any contractor employed by Bield under the framework in terms of addressing the Act.

We recognise the need to raise awareness across the workforce and will take reasonable steps to develop relevant training and a Modern Slavery Act Guidance document. Bield, therefore, believes that to the best of its knowledge, its suppliers do not engage in illegal slavery or human trafficking.

## HEALTH AND SAFETY

The Board is aware of its responsibilities on all matters relating to health and safety and encourages employee involvement in all major initiatives. The pandemic has highlighted the importance of good policies, practices and procedures to ensure that our staff and tenants are kept safe and our properties are secure. We continue to review our detailed health and safety policies and commit to provide staff training and education on health and safety matters. Bield has a Health & Safety Management Group. This group, which includes Directors, meets to oversee activities and procedures related to health and safety. Employee consultation on health and safety matters is conducted through the Employee Forum. The Board receives six-monthly reports on health and safety issues.

## SUSTAINABILITY AND COMMUNITY ISSUES

Bield is committed to providing a sustainable, responsible business model and working towards making our properties as environmentally friendly as we are able. The next phase of our growth as an organisation requires us to innovate and adapt locally to what is a global issue. Climate change is already changing how we live our lives, and we owe it to future generations to do everything in our power to help limit our impact on the environment. Bield has already started to meet the challenge, and our updated Business Plan reflects our ambitions to become a net zero organisation by 2045. Our investment priorities over the next year will see us further our commitments to provide energy efficient, safe, secure quality homes that meet our customers' needs now and in the future.

Bield's approved Energy Management and Environmental Sustainability Policy mirrors the Scottish Government targets to reduce carbon emissions by 75% by 2030, 90% by 2040 and net-zero emissions for all greenhouse gases by 2045, in line with the requirements set out in the

Climate Change (Scotland) Act. As legislation and targets evolve, the only certainty is that there will be change. It is critical that we start to act now and implement plans to eliminate any risk of not meeting the energy efficiency targets and being unable to let properties in the future.

We work with our stakeholders and others in the sector to advance policies and practices that promote environmental responsibility. Bield takes its environmental commitments seriously and strives, wherever possible and within financial constraints, to minimise the impact of its activities on the environment. We are working to improve energy efficiency standards within developments to improve the lives of our tenants and promote positive practices within our communities. Bield also believes that to achieve short- and long-term sustainability we need to promote social cohesion and inclusion and strengthen economic prosperity in the communities in which we work. Our Bield values underpin all of our interactions in the communities where we are based.

## EQUALITY, DIVERSITY & INCLUSION

The Board is committed to achieving equality through diversity and inclusion. Bield has a legal and moral responsibility as a good and socially responsible organisation to be fair, equitable and inclusive in its treatment of customers, staff and others. Its policies and strategies recognise that all people have a right to their own distinctive and diverse identity. There is a committed focus to transparency and fair communication and practices for all stakeholders. With an increasingly diverse marketplace Bield is firmly committed to providing equal access to service and employment opportunities. Our policies, practices and procedures ensure that no one is disadvantaged.

The Board recognises that it has the power to reduce the disadvantages that people experience by making services more responsive to all communities and individual needs. Bield's Equality & Diversity Strategy commits Bield to providing equality of opportunity for all. An Equality Action Plan has been compiled and is included in the Business Strategy. Bield takes a positive approach to promoting its services to the Black and Minority Ethnic (BME) communities.

# FINANCIAL REVIEW

## ACCOUNTING POLICIES

The principal accounting policies of Bield are set out in Note 1 on pages 29-35 of notes to the Financial Statements.

## FINANCIAL HIGHLIGHTS

Turnover for the year was £43.0m (2021: £41.3m) which is a £1.8m increase from the prior year.

Operating costs for the year were £39.4m (2021: £37.3m), an increase of £2.1m from the prior year. The total operating surplus is £3.7m (2021: £4.1m) for the year. The business will look to increase operational surpluses in future years in order to maintain financial viability in the longer term.

The total comprehensive surplus of £4.7m (2021: £1.3m loss) has been returned for the year. This includes a positive non-cash movement in the pension liability of £1.8m (2021: £7.4m - negative) for the defined benefit pension scheme which was largely driven by changes in the actuarial assumptions underlying the valuation and the specific issues for Bield.

Capital expenditure on properties amounted to £4.5m (2021: £5.4m) with no expenditure (2021: £0.3m) on the new build development programme. We have received no new grant funding for the year (2021: £1.9m). After a depreciation charge of £6.1m (2021: £6.2m), the net book value of Bield's housing properties decreased from £116.5m to £114.5m.

## PENSIONS

Bield is a member of the SHPS multi-employer defined benefit pension scheme and from 1 April 2019, the Association was able to recognise its share of the scheme assets and liabilities in line with FRS 102. The new defined benefit liability as at 31 March 2022 is £ 8.4m (2021: £11.5m) and has therefore resulted in a decrease in the net liability at 31 March of £3.2m. Further detail in relation to the pension liability is recorded in Note 24 to the financial statements.

## DONATIONS TO CHARITABLE ORGANISATIONS

No charitable donations were made in the current year (2021: £nil).

## INVESTMENT PERFORMANCE

Bield's investment portfolio, managed by Baillie Gifford & Co, is classed as a Current Asset rather than a Fixed Asset in the Statement of Financial Position. Although the investment portfolio is primarily held for the long term, it is anticipated that Bield will realise some of these investments in order to invest in both the current and new housing stock. Like any investment, Bield's portfolio is subject to turbulence in the global financial markets. The portfolio performance has been positive in recent years but the volatility of the markets in the final quarter of 2021/22 has seen a reduction in the holding value at year end to below the March 2021 value. The valuation of the portfolio at the end of March 2022 has decreased by £0.7m from the prior year. Details are disclosed in Note 14. Bield's Board monitors the performance of the investment portfolio with an emphasis on the longer-term performance trend over a three to five-year period.

## CAPITAL STRUCTURE AND TREASURY MANAGEMENT

Total reserves at the end of the year were £72.5m (2021: £67.9m) of which £72.5m (2021: £67.8m) related to the general Revenue Reserve (99.9% of the reserves are general revenue reserves). A long term borrowing was redeemed early within the year reducing outstanding loans to £0.6m (2021: £1.7m) which are interest free. The gearing ratio of 0.8% (loans as a percentage of reserves) remains relatively low compared with other RSLs and well within Bield's ceiling of 30%. Bield has substantial unutilised security on its Statement of Financial Position. No new borrowing facilities were entered into in this year (2021: £nil). Cash balances have increased by £0.7m within the year to £15.1m (2021: £14.4m) at the end of the financial year which complies with the minimum (1 month's turnover) specified in the Treasury Management Policy.



Bield's Treasury Management Policy is under review following a model policy developed by SFHA. It seeks to ensure that sufficient liquidity is available to meet foreseeable needs, surplus cash is invested prudently, and financial risk is minimised. Treasury management activity is the responsibility of the Director of Finance & Technology, operating under the policy direction of the Board. In the current economic conditions, close scrutiny is rightly placed on this area of work.

The policy of Bield in the investing of surplus funds is to achieve a satisfactory return while minimising risk. In relation to borrowing, the policy is to ensure the stability of Bield's long-term financial position by borrowing on the most economically advantageous terms with a preference for fixed rate once the money raised has been committed to long term projects.

At year end Bield had borrowings at zero interest only. Details of the loan rates are provided in note 18 and are within the parameters set by the Board.

### **PAYMENT OF CREDITORS**

Bield's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines.

### **CASH FLOW**

The net cash increase in 2021-22 was £0.7m over the previous year. Bield ended the year with a positive reconciled cash balance of £15.1m (2021: £14.4m) which is more favourable than was budgeted as a result of the impact of Covid-19, timing of the reconfiguration of services and capital expenditure payments taking place.

### **FIXED ASSETS**

The cost of Bield's housing properties after depreciation is £114.5m (2021: £116.5m). These have been funded principally through a combination of Housing Association Grant and other grants, private finance, and internal resources. The market value of Bield's housing properties is substantially higher than the net book value and is sufficient to meet all asset value related loan covenants.

## RESERVES

Bield holds two principal reserves: a restricted reserve and a revenue reserve.

The restricted reserve mainly represents the restricted element of the Bield Housing Trust's assets transferred during 2009-10 along with the balance of monies received from a number of valued contributors, including specifically The Scottish Government People and Communities Fund, The Bank of Scotland Foundation and the R S Macdonald Charitable Trust.

The revenue reserve represents the accumulated annual surpluses of Bield. This reserve has been primarily invested in property assets let to tenants. This reserve has increased significantly since 2010

as a result of fundamental changes in accounting standards rather than an improvement in financial performance. Whilst it is understandable that readers of the financial statements interpret the level of reserves held as capacity to spend money, the requirement to ensure prudent financial management restricts the amount of reserves that can be released. The reserve is invested in property and is not held as cash.

30% of Bield's total reserves are represented by cash or liquid investments. These sums were historically built up to fund future anticipated investment in Bield's ageing housing stock and as a buffer against unforeseen emergencies.

## KEY PERFORMANCE INDICATORS

The Board recognises the importance of monitoring performance against a range of internal targets as a means of measuring continuous improvement. A number of key performance indicators are included within

the Business Strategy and are the subject of regular monitoring reports to the Board.

The following summarises some of the key performance indicators for Bield:

	2021/22	2020/21	Internal Target
<b>Operational:</b>			
Reactive repairs carried out and completed right first time	85.5%	90.4%	92.0% or better
Social Housing Rent loss (Voids) due to empty properties during the year	4.7%	6.2%	Under 5.0%
Social Housing Rent arrears as a % of rent due	1.00%	1.57%	Under 1.40%
Staff sickness absence	6.85%	5.3%	4.0% or less
<b>Financial:</b>			
Quick ratio	329%	338%	Over 100%
Surplus as a proportion of turnover	6.6%	14.5%	Over 3%
Interest cover	4,746%	4,499%	110% (min)

Bield's overall performance has continued to be impacted by the Covid-19 pandemic. Availability of contractors and materials have been constrained leading to lower repairs performance than planned. Staff sickness has also declined since last year and continues to be driven by Covid related absence but we are also experiencing higher absences due to serious illness and psychological conditions. Our housing

management performance indicators continue to improve and are better than our internal targets for the year. Our staff and SMT have been focused on delivering the best, most appropriate services to our customers during the year. We have followed all guidance and regulations to ensure that our staff and customers remain safe and secure. The Board is satisfied that, given the circumstances, the performance is satisfactory.



The financial ratios are all above the internal target levels but surplus levels have reduced from prior levels, although total comprehensive income levels have risen as a result of movements in the pension valuation.

## GOING CONCERN

Bield's business activities, together with the factors likely to affect its future development, performance and position are set out within this Operating and Financial Review. The Operating and Financial Review also includes a review of the financial position of Bield, its cash flows, liquidity position and borrowing facilities.

Bield's financial projections demonstrate that Bield has the ability to meet its commitments in the short, medium, and long-term. Therefore, the Board believes that Bield is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Board will monitor the risk environment and consider all options to ensure that the 2018-23 Business Strategy is successfully delivered.

As we emerge from the Covid-19 pandemic into an year of high inflation and economic uncertainty the business operations are being closely monitored to ensure that the risks are well managed and will not have a negative impact on the going concern assessment. The Board is updated on operational performance and the economic impacts on the current business operations and any potential long-term assessments. Bield has sufficient cash resources with cash balances of £15.1m as well as investments of £6.6m that are available if required. There has been no impact on compliance requirements which are being met within the Covid-19 regulations.

The Board has a reasonable expectation that Bield 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.

## BY ORDER OF THE BOARD

Lesley Holdsworth

**Chair of the Board of Management**

**28<sup>th</sup> July 2022**

## INTERNAL CONTROL

The Board is responsible for Bield's system of internal control and its effectiveness and therefore demands a strong control environment. However, the system is designed to manage rather than eliminate risk and therefore can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board, through the Audit & Risk Committee, has reviewed the effectiveness of Bield's internal financial controls and risk management for the year ended 31 March 2022. No significant weakness in the internal controls has occurred resulting in material losses, contingencies or uncertainties which require disclosure in the financial statements. The Board's full Statement on Internal Financial Controls is set out on page 19.

## AWARENESS OF AUDIT INFORMATION

The Board members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. Each of the Board Members have confirmed that they have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

## AUDITORS

In line with guidance issued by the Scottish Housing Regulator on the appointment of external auditors, the Board undertook a procurement process for the provision of external audit services and at their meeting on 4th July 2019 appointed RSM to undertake the external audits from financial year 2019/20 for a period of 7 years.

## STATEMENT OF THE BOARD'S RESPONSIBILITIES

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Bield and of the surplus or deficit for that period. In preparing these financial statements, the Board is required to:

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

The Board is responsible for instituting adequate systems of internal control and for:

- safeguarding assets
- taking reasonable steps for the prevention and detection of fraud and other irregularities
- the maintenance and integrity of the corporate and financial information included on the Bield Housing & Care website.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of Bield and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, The Housing (Scotland) Act 2010 and the Scottish Housing Regulator's Determination of Accounting Requirements - February 2019. It has general responsibility for taking reasonable steps to safeguard the assets of Bield and to prevent and detect fraud and other irregularities.



# BOARD STATEMENT ON INTERNAL FINANCIAL CONTROLS

- The Board acknowledges its ultimate responsibility for ensuring that Bield has in place a system of controls that is appropriate to the various business environments in which it operates.
- The systems of internal financial control, which are under regular review, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute assurance, against material misstatement or loss.
- The key procedures which have been established and which are designed to provide effective internal financial control include:
  - Comprehensive budgeting systems with an annual budget approved by the Board.
  - Consideration by the Board of actual results compared with budgets, together with a forecast for the year. Significant variances from budgets are investigated, explained as appropriate and action taken as agreed.
  - An internal audit programme which is designed to cover the main business activities of Bield. The scope and content of this programme are reviewed by the Audit & Risk Committee. The independent professional internal auditor, who works closely with the external auditor, has direct access to the Audit & Risk Committee which receives the reports and agrees appropriate action plans.
  - Written scheme of delegation including details of delegated authority.
- An assessment of the risk areas faced by Bield, with details of the control mechanisms in place to counteract that risk. The Audit & Risk Committee reports annually to the Board on the effectiveness of the Risk Management procedures.
- The Audit & Risk Committee assists the Board in meeting its responsibility for ensuring that Bield's financial systems provide accurate and up to date information on its financial position and that the Annual Accounts represent a true and fair reflection of this position. The Committee also assists the Board by reviewing the accounting policies and internal financial controls. The internal and external auditors attend meetings of the Audit & Risk Committee at least once a year. The internal auditor has direct access to the Chair of the Audit & Risk Committee.
- The Board has reviewed the effectiveness of the system of internal financial controls. No weaknesses have been found which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements. Where weaknesses in internal financial controls are identified, appropriate remedial action is taken.
- These arrangements are considered appropriate to the scale and range of Bield's activities and comply with the requirements contained in the Scottish Housing Regulator's Guidance.

## BY ORDER OF THE BOARD

Lesley Holdsworth  
**Chair of the Board of Management**  
**28<sup>th</sup> July 2022**

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF BIELD HOUSING & CARE

### OPINION

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

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 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 Board'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 about the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

## **RESPONSIBILITIES OF THE BOARD**

As explained more fully in the Board's responsibilities statement set out on page 18, the Board 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 Board determines is necessary to enable the preparation of financial statements that

are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends 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. 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.

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF BIELD HOUSING & CARE

### THE EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the Association operates in and how the Association is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF BIELD HOUSING & CARE

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Housing (Scotland) Act 2010, the Statement of Recommended Practice for Registered Social Landlords 2018 and the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are the Housing (Scotland) Acts 2006 and 2014, the Co-operative and Community Benefit Societies Act 2014, the Scottish Housing Regulator's Regulatory Framework (published 2019), the Data Protection Act 2018, the Disclosure (Scotland) Act 2020, and the Public Services Reform (Scotland) Act 2010. We performed audit procedures to inquire of management and those charged with governance to confirm whether the company is in compliance

with these laws and regulations, inspected correspondence with the Regulators and confirmed that relevant mandatory submissions had been made, and confirmed no improvement or prohibition notices had been raised as per a review of the Information Commissioner's Office website.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

## USE OF OUR REPORT

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report

and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RSM UK Audit LLP**  
Statutory Auditor  
Chartered Accountants  
Third Floor  
2 Semple Street  
Edinburgh  
EH3 8BL

**28th July 2022**

# **INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF BIELD HOUSING & CARE ON CORPORATE GOVERNANCE MATTERS**

In addition to our audit of the Financial Statements, we have reviewed your statement on page 5 concerning Bield Housing & Care's compliance with the information required by the Regulatory Standards for systemically important RSLs 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 within Bulletin 2006/5 issued by the Financial Reporting Council through enquiry of certain members of the Board and Officers of Bield Housing & Care and examination of relevant documents. The Bulletin does not require us to review the effectiveness of Bield Housing & Care'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 19 has provided the disclosures required by the relevant Regulatory Standards for systemically important RSLs 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.

**RSM UK Audit LLP**  
Statutory Auditor  
Chartered Accountants  
Third Floor  
2 Semple Street  
Edinburgh  
EH3 8BL



# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	Total £'000	Total £'000
Turnover	2	43,013	41,270
Operating expenditure	2	(39,411)	(37,303)
Gain on disposal of fixed assets	9	98	84
<b>Operating surplus</b>		<b>3,700</b>	<b>4,051</b>
Investment income and interest receivable	6	121	105
Interest and financing costs	7	(307)	(149)
Movement in fair value of current asset investments	14	(705)	2,018
<b>Surplus for the financial year</b>		<b>2,809</b>	<b>6,025</b>
Actuarial gains/(losses) in respect of pension schemes	24	1,845	(7,351)
<b>Total comprehensive income/(expenditure) for the year</b>		<b>4,654</b>	<b>(1,326)</b>

The accompanying notes on pages 29 to 56 form part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
<b>FIXED ASSETS</b>			
Intangible assets	11.A	17	62
Housing properties	11.B	114,543	116,473
Other fixed assets	11.C	6,455	6,420
		<b>121,015</b>	<b>122,955</b>
<b>CURRENT ASSETS</b>			
Properties held for sale	12	-	761
Trade and other debtors	13	2,147	1,574
Current asset investments	14	6,557	7,262
Cash and cash equivalents		15,128	14,422
		23,832	24,019
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	15	(7,264)	(6,873)
<b>NET CURRENT ASSETS</b>		<b>16,568</b>	<b>17,146</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>137,583</b>	<b>140,101</b>
Creditors: amounts falling due after more than one year	16	(56,704)	(60,644)
Provision for pension liability	19	(11)	(59)
Pension - defined benefit liability	24	(8,354)	(11,538)
<b>TOTAL NET ASSETS</b>		<b>72,514</b>	<b>67,860</b>
<b>RESERVES</b>			
Revenue reserve		72,459	67,805
Restricted reserve		55	55
<b>TOTAL RESERVES</b>		<b>72,514</b>	<b>67,860</b>

The financial statements were approved by the Board and authorised for issue on 28th July 2022 and are signed on its behalf by:

LESLEY HOLDSWORTH  
**Members of the Board**

ROBERT FERNIE

CLARE BEESLEY

**Company Secretary**

The accompanying notes on pages 29 to 56 form part of these financial statements

# STATEMENT OF CHANGES IN RESERVES

## FOR THE YEAR ENDED 31 MARCH 2022

	Restricted Reserve £'000	Revenue Reserve £'000	Total Reserves £'000
<b>Balance at 1 April 2020</b>	<b>55</b>	<b>69,131</b>	<b>69,186</b>
Surplus for year	-	6,025	6,025
Actuarial gain in respect of pension schemes	-	(7,351)	(7,351)
Transfer from/(to) Revenue Reserve	-	-	-
<b>Balance at 31 March 2021</b>	<b>55</b>	<b>67,805</b>	<b>67,860</b>

	Restricted Reserve £'000	Revenue Reserve £'000	Total Reserves £'000
<b>Balance at 1 April 2021</b>	<b>55</b>	<b>67,805</b>	<b>67,860</b>
Surplus for year	-	2,809	2,809
Actuarial gain in respect of pension schemes	-	1,845	1,845
Transfer from/(to) Revenue Reserve	-	-	-
<b>Balance at 31 March 2022</b>	<b>55</b>	<b>72,459</b>	<b>72,514</b>

# STATEMENT OF CASHFLOWS

## FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £'000	2021 £'000
<b>Net cash generated from operating activities</b>	21	5,431	5,395
<b>Cash Flow from Investing Activities:</b>			
Purchase of tangible and intangible fixed assets		(4,948)	(2,633)
Purchase of current asset investments		(237)	(375)
Net proceeds from sale of tangible fixed assets		1,612	630
Proceeds from sale of current asset investments		237	375
Interest received		121	105
Buybacks of properties held for sale		(354)	
<b>Net Cash (used) in Investing Activities</b>		<b>(3,569)</b>	<b>(1,898)</b>
<b>Cash Flow from Financing Activities:</b>			
Interest paid		(76)	(32)
Repayments of borrowings		(1,080)	(342)
Receipt of Housing Grant		-	1,864
Drawdown of New Loans		-	-
<b>Net Cash generated/ (used) in Financing Activities</b>		<b>(1,156)</b>	<b>1,490</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>706</b>	<b>4,987</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>		<b>14,422</b>	<b>9,435</b>
<b>Cash and Cash Equivalents at End of Year</b>		<b>15,128</b>	<b>14,422</b>

The cash and cash equivalents are made up of bank accounts held at the year end.

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2022 £'000	2021 £'000
Increase in cash	706	4,987
New borrowings	-	-
Repayments of borrowings	1,080	342
Net cash inflow from operating activities	1,786	5,329
Net cash/ (debt) at 1 April	12,742	7,413
<b>Net cash/ (debt) at 31 March</b>	<b>14,528</b>	<b>12,742</b>
Cash at bank	15,128	14,422
Loan finance	(600)	(1,680)
<b>Net cash/ (debt) at 31 March</b>	<b>14,528</b>	<b>12,742</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

Bield is registered in Scotland under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Scottish Housing Regulator (Registration No. HEP 71) under the Housing (Scotland) Act 2010. Bield has charitable status with HM Revenue & Customs (Charity Number SC006878) and is eligible for exemptions from corporation tax on charitable activities.

The address of Bield's registered office and principal place of business is provided on page 3 of these financial statements.

Bield is a Public Benefit Entity in accordance with the definition set out in FRS 102. The principal activity of Bield is providing a diverse range of housing, care and other services to older people. The nature of these operations is explained more fully in the Overview of Business in the Operating and Financial Review (pages 4 – 17).

## ACCOUNTING BASIS

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and they comply with the Determination of Accounting Requirements 2019, and under the historical cost convention, modified to include

certain financial instruments at fair value. The financial statements are prepared in sterling (£) and rounded to the nearest £'000 unless where otherwise stated.

After making enquiries, the Board has reasonable expectation that Bield has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

## **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 may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are the economic useful life estimates of the components of housing properties.

Management reviews its estimate of the useful lives of depreciable components at each reporting date based on industry standards and actual usage experienced. For impairment purposes of housing stock, a cash generating unit is deemed to be an individual housing development.

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 24). The net defined benefit pension liability at 31 March 2022 was £8,354k, (2021: £11,538k.)

A key estimate is in relation to recoverability of rent arrears. Management considers the likelihood of recovery on a regular basis and has robust processes in place to pursue outstanding amounts. Provision is made for former tenant arrears and where the arrears are over one year old.

Gain/losses on sale of fixed assets are treated as part of operating activities and are therefore included in reaching operating surplus.

For the purposes of determining the shared ownership operating costs for letting activities, costs are allocated on a unit basis as it is not always possible to determine the shared ownership portion of the overall social housing costs.

## **GOING CONCERN POLICY**

Bield has sufficient cash resources with cash balances of £15.1m as well as investments of £6.6m that are available if required. There has been no impact on compliance with loan covenants and all compliance requirements are being met within the COVID-19 regulations. As part of our normal business processes and in response to the COVID-19 crisis, additional in-year re-forecasts have been produced and our annual 30-year forecasts have been amended to consider the impact of the crisis.

## **TURNOVER**

Turnover represents rental and service charge income receivable (net of voids), fees from BR24, care and meals services, income from shared ownership first tranche sales, revenue grants and donations. Income is recognised over the period where services are delivered. Tenant service charges are levied on a basis intended to cover appropriate service costs each year. Income collected where Bield is acting as an agent is not included in turnover. Funds of £28k received during the year under the Coronavirus Job Retention Scheme are recognised as income on receipt.

## **FIXED ASSETS – INTANGIBLE ASSETS**

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life of three years, on a straight-line basis and recognised in operating costs within the Statement of Comprehensive Income.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

## **FIXED ASSETS – HOUSING PROPERTIES**

Housing properties are properties for the provision of social housing or to otherwise provide social benefit and are principally properties available for rent and shared ownership. Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment losses.

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 assets in excess of the previously assessed standard of performance. Such enhancement can occur if the 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 are deemed to be Land, Structure, Kitchen, Bathroom, Windows & Doors, Heating, Lift, Fire Alarm, Warden Call and Communal Lighting. Each component has a substantially different economic life and is depreciated over this individual life. Depreciation rates are shown on page 32.

## **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.

## **HOUSING ASSOCIATION GRANT**

Housing Association Grant (HAG) is payable by the Scottish Government, City of Edinburgh Council and Glasgow City Council. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received. Where costs are not funded by HAG, the residual finance is sought from other sources or is funded internally.

HAG received for housing properties is 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) on a pro-rata basis under the accruals model.

On disposal of an asset for which HAG 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 the liability is included in the Statement of Financial Position.

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

## DEPRECIATION

### (i) Intangible assets:

Amortisation is charged on a straight-line basis over its estimated useful life as follows:

ICT Software	3 years
--------------	---------

### (ii) Housing properties:

Depreciation is charged on a straight-line basis over the expected economic useful lives of each major component that makes up the housing property as follows:

Structure	50 years
Kitchen	18 - 20 years
Shower & Bathroom	15 - 30 years
Windows & Doors	25 years
Heating	10 - 20 years
Lift	25 years
Fire Alarm	15 years
Warden Call	10 years
Communal Lighting	15 years
Land is not depreciated	

An assessment is made at each reporting date of whether there are indications 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, Bield estimates the recoverable amount of the asset.

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 operating costs 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 as 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.

### (iii) Other fixed assets:

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is charged on a straight-line basis as follows:

Office Premises	50 years
Office Fixtures & Fittings	10 years
Furniture & ICT Equipment	3 years
Motor Vehicles	5 years
Community Alarm Units	5 years

The office premises are held under a cost model with no revaluation. Expenditure less than £1,000 is not capitalised. Any costs related to the employment of staff specifically to manage ICT capital projects are capitalised.

## STOCK

Stock of housing properties is stated at the lower of cost and net realisable value and is recognised under current assets.

## SHARED OWNERSHIP

Shared ownership properties are split proportionally between fixed assets and current assets based on the element relating to expected first tranche sales. Proceeds from first tranche disposals of shared ownership properties are accounted for in the Statement of Comprehensive Income of the period in which the disposal occurs and are recognised as Turnover. The cost of disposal of first tranche disposals is included within Operating Costs. The cost of sales is calculated on a square footage basis of each property. The first tranche element of any unsold properties is shown as a current asset within stock.

## RESTRICTED RESERVES

A restricted reserve is held where funds are subject to conditions specified by a third party. Bield holds one restricted reserve in relation to donations received and where the use of those funds is limited to a specific purpose. Further restricted reserves will be created as required. Further explanation of the reserves held is given on page 16.



## RETIREMENT BENEFITS

Bield participates in two industry wide, multi-employer defined benefit pension schemes, the Social Housing Pension Scheme (SHPS) and the Growth Plan, and a defined contribution scheme. For the defined contribution scheme the amount charged to income and expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

For the SHPS scheme 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.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as a remeasurement of net defined benefit liability.

The cost of the defined benefit plan, recognised in the Statement of Comprehensive Income (SoCI) as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in pension benefit liability arising from employee service during the period; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the SoCI as 'Interest and financing costs'.

For the Growth Plan, current service contributions are recognised in income and expenditure in the period to which they relate as there is insufficient information available to use defined benefit accounting. A liability is recognised for contributions arising from an agreement with the multi-employer plan that determines how the RSL will fund a deficit. This is included within provisions for pensions liability in the financial statements.

## FINANCIAL INSTRUMENTS

Bield has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when Bield becomes a party to the contractual provisions of the instrument, and are offset only when Bield currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## FINANCIAL ASSETS

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income and expenditure as the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Comprehensive Income.

## **FINANCIAL LIABILITIES**

### **TRADE CREDITORS**

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

### **BORROWINGS**

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges. Borrowings with no rate of interest are regarded as concessionary loans and are measured at the amount payable or receivable.

### **DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES**

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

## **VALUE ADDED TAX**

Bield is VAT registered, however a large proportion of income, namely rents, is exempt for VAT purposes therefore giving rise to a Partial Exemption calculation. Consequently, little VAT paid is recoverable and expenditure is therefore shown inclusive of VAT. Any VAT recovered is offset against operating costs.

## **INVESTMENTS**

Investment income is recognised when due and receivable. Investments are stated at fair value which is the quoted bid price of trade investments quoted on a recognised stock exchange. All gains or losses on valuation are reflected through the Statement of Comprehensive Income.

## **OPERATING LEASE RENTALS**

Operating lease rentals are charged on a straight-line basis over the term of the lease.

## **DEPOSITS AND LIQUID RESOURCES**

Cash comprises cash in hand and deposits repayable on demand less overdrafts 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.

## **PROVISIONS**

Provisions are recognised when Bield has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

## **TERMINATION BENEFITS**

Termination benefits are recognised in the financial statements when the relevant employees have been informed and an unavoidable obligation has been created. Amounts that have not been paid out at the year end date are recognised as accruals.

## 2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

	Notes	Turnover £'000	Operating Costs £'000	2022 Operating Surplus (Deficit) £'000	2021 Operating Surplus/(Deficit) £'000
Affordable letting activities	3	35,500	(33,015)	2,485	3,423
Other activities	4	7,513	(6,396)	1,117	544
		43,013	(39,411)	3,602	3,967
Gain on sale of Fixed assets	9	98	-	98	84
<b>Total 2021/22</b>		<b>43,111</b>	<b>(39,411)</b>	<b>3,700</b>	<b>4,051</b>
Total for previous reporting period 2020/21		<b>41,354</b>	<b>(37,303)</b>	<b>4,051</b>	

### 3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Social Housing £'000	Supported Social Housing Accommodation £'000	Shared Ownership Housing £'000	Total 2022 £'000	Total 2021 £'000
Rent receivable net of service charges	736	24,357	353	25,446	25,076
Service charges	52	7,011	1,282	8,345	8,394
Gross income from rents and service charges	788	31,368	1,635	33,791	33,470
Less voids	(11)	(1,579)	3	(1,587)	(2,158)
<b>Net income from rents and service charges</b>	<b>777</b>	<b>29,789</b>	<b>1,638</b>	<b>32,204</b>	<b>31,312</b>
Grants released from deferred income	-	2,983	9	2,992	2,972
Revenue grants from Scottish Ministers	-	304	-	304	289
<b>Total turnover from affordable letting activities</b>	<b>777</b>	<b>33,076</b>	<b>1,647</b>	<b>35,500</b>	<b>34,573</b>
Management and maintenance administration costs	(146)	(5,770)	(170)	(6,086)	(6,341)
Service costs	(302)	(11,960)	(352)	(12,614)	(12,110)
Planned and cyclical maintenance including major repairs costs	(88)	(3,499)	(103)	(3,690)	(2,531)
Reactive maintenance costs	(109)	(4,302)	(126)	(4,537)	(3,991)
Bad debts - rents and service charges	-	(1)	-	(1)	(24)
Depreciation of affordable let properties	(146)	(5,772)	(169)	(6,087)	(6,153)
Impairment of affordable let properties	-	-	-	-	-
<b>Operating Costs for affordable letting activities</b>	<b>(791)</b>	<b>(31,304)</b>	<b>(920)</b>	<b>(33,015)</b>	<b>(31,150)</b>
<b>Operating surplus or deficit for affordable letting activities</b>	<b>(14)</b>	<b>1,772</b>	<b>727</b>	<b>2,485</b>	<b>3,423</b>
<b>Operating surplus or deficit for affordable letting activities for previous reporting period</b>	<b>36</b>	<b>2,374</b>	<b>1,013</b>	<b>3,423</b>	

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

	Grants From Scottish Ministers £'000	Other revenue grants £'000	Supporting people income £'000	Other income £'000	Total turnover £'000	Operating costs bad debts £'000	Other Operating costs £'000	Operating surplus or deficit £'000	2020/21 Operating surplus or deficit for prior period £'000
Support activities	-	-	-	-	-	-	-	-	-
Care activities (excluding Care Homes)	-	2,563	-	514	3,077	-	(2,537)	540	176
Contracted out services undertaken for other orgs	-	-	-	1,639	1,639	-	(1,371)	268	57
Community alarm, letting of communal facilities	-	-	-	1,519	1,519	-	(1,468)	51	6
Business development activities	-	-	-	149	149	-	-	149	289
Business strategy/transformation	-	-	-	-	-	-	-	-	(47)
First tranche shared ownership sales	-	-	-	1,129	1,129	-	(1,020)	109	63
Pension scheme change of assumptions	-	-	-	-	-	-	-	-	-
<b>Total from other activities</b>	-	<b>2,563</b>	-	<b>4,950</b>	<b>7,513</b>	-	<b>(6,396)</b>	<b>1,117</b>	<b>544</b>
<b>Total from other activities for the previous reporting period 2020/21</b>	-	2,268	-	4,429	6,697	26	(6,179)	544	

The Accounting Determination includes additional information lines to that shown in notes 3 and 4 above. The Board does not feel that any additional information is required with regard to these notes.

#### 5. UNITS UNDER DEVELOPMENT AND IN MANAGEMENT

	Units In Management	
	2022 Units	2021 Units
General Needs Housing	128	127
<b>Supported Housing:</b>		
Sheltered/Very Sheltered/Amenity/Retirement	4,337	4,336
	<b>4,465</b>	<b>4,463</b>
<b>Shared ownership</b>	<b>149</b>	<b>151</b>
<b>Private housing under management:</b>		
Wholly owned	685	752
Agency & Resident Staff	46	47
	<b>731</b>	<b>799</b>
<b>Total units under development and in management</b>	<b>5,345</b>	<b>5,413</b>

#### 6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Units In Management	
	2022 £'000	2021 £'000
Interest on bank deposits	4	15
Income from listed investments	117	90
	<b>121</b>	<b>105</b>

#### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	Units In Management	
	2022 £'000	2021 £'000
Interest arising on:		
Bank loans and overdrafts	76	32
Unwinding of discount factor	-	2
Net interest expense on defined benefit pension	231	115
	<b>307</b>	<b>149</b>

## 8. OPERATING SURPLUS OR DEFICIT

	2022 £'000	2021 £'000
Operating surplus is stated after charging/(crediting):		
Depreciation of housing properties	6,087	6,153
Amortisation of intangible fixed assets	45	66
Depreciation of other tangible fixed assets	466	370
Operating lease rentals	13	57

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2022 £'000	2021 £'000
Audit services - statutory audit of the Association	22	22
Other services	-	-
	<b>22</b>	<b>22</b>

## 9. SURPLUS OR DEFICIT ON DISPOSAL OF FIXED ASSETS

	2022 £'000	2021 £'000
Other Assets: loss on sale	-	-
Housing Properties: sale proceeds	483	630
Less: Properties held for sale	-	-
Less: Net Book Value of Fixed Assets	(342)	(465)
	<b>141</b>	<b>165</b>
Disposal of Housing Properties Components	(43)	(81)
Housing Properties: (loss)/ surplus on disposal	98	84
Disposal of Intangible assets	-	-
	<b>98</b>	<b>84</b>

The components disposal arose due to the earlier than scheduled replacement of some items.

**10. EMPLOYEES**

	2022 No.	2021 No.
The average monthly number of full time equivalent persons employed by the Association (including Directors) during the year was:		
Office and management/Administration	137	125
Scheme based staff	325	332
	<b>462</b>	<b>457</b>
	2022 £'000	2021 £'000
Staff costs for the above persons:		
Wages and salaries	12,972	12,583
Social security costs	922	878
Pension costs	428	384
Agency staff	501	474
Redundancy payments	34	47
	<b>14,857</b>	<b>14,366</b>



## 10. EMPLOYEES (continued)

The Directors (Key Management Personnel) are defined as the members of the Board, the Chief Executive and any other member of the Senior Management Team. No emoluments were paid to any member of the Board during the year.

The number of Directors who received emoluments (excluding employers' pension contributions) in excess of £60,000 during the reporting period fell within the following bands:

	2022 No.	2021 No.
£60,001 - £70,000	-	-
£70,001 - £80,000	-	1
£80,001 - £90,000	2	2
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1
	<b>3</b>	<b>4</b>

	2022 £'000	2021 £'000
Aggregate emoluments for the above Directors (excluding pension contributions and including benefits in kind)	285	350
Aggregate pension contributions in relation to the above Directors	15	19
Aggregate benefits in kind in relation to the above Directors	-	-
The emoluments for the Chief Executive (excluding pension contributions)	115	113
The pension contributions for the Chief Executive	6	5
<b>Total emoluments for the Chief Executive</b>	<b>121</b>	<b>118</b>

Total expenses reimbursed to Directors and to Board members in so far not chargeable to Income Tax were £586 (2021- £253).

All benefits in kind relate to motor vehicles.

No loans were made to Board members, officers or employees during the year.

**11.A INTANGIBLE FIXED ASSETS**

	Software £'000
<b>Cost</b>	
1 April 2021	315
Additions	-
Disposals	-
31 March 2022	<b>315</b>
<b>Amortisation and impairment</b>	
1 April 2021	(253)
Amortisation charged in year	(45)
Released on disposal	-
31 March 2022	<b>(298)</b>
<b>Net book value</b>	
31 March 2022	<b>17</b>
31 March 2021	62

## 11.B TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Social housing properties held for letting £'000	Housing properties for letting under construction £'000	Completed shared ownership housing properties £'000	Total housing properties £'000
<b>Cost</b>				
1 April 2021	235,684	228	4,164	240,076
Additions	-	-	98	98
Works to existing properties	4,444	-	-	4,444
Disposals	(1,512)	-	(371)	(1,883)
Transfers to properties for letting	40	-	(40)	-
Schemes completed	-	-	-	-
31 March 2022	<b>238,656</b>	<b>228</b>	<b>3,851</b>	<b>242,735</b>
<b>Depreciation and impairment</b>				
1 April 2021	(122,612)	-	(991)	(123,603)
Depreciation charged in year	(6,005)	-	(82)	(6,087)
Impairment charged in year	-	-	-	-
Released on disposal	1,469	-	29	1,498
Transfers	(10)	-	10	-
31 March 2022	<b>(127,158)</b>	<b>-</b>	<b>(1,034)</b>	<b>(128,192)</b>
<b>Net book value</b>				
31 March 2022	<b>111,498</b>	<b>228</b>	<b>2,817</b>	<b>114,543</b>
31 March 2021	113,072	228	3,173	116,473

## EXPENDITURE ON WORKS TO EXISTING PROPERTIES

	2022 £'000	2021 £'000
Improvement work capitalised	-	-
Replacement component spend capitalised	4,444	4,928
Amounts charged to statement of comprehensive income	3,690	2,531
Total major repairs spend	<b>8,134</b>	<b>7,459</b>

Bield considers each development to be a separate cash generating unit when assessing for impairment, in accordance with SORP 2018.

Land with a value of £8.3m is included in the cost note above (£8.3m in 2020).

**11.C TANGIBLE FIXED ASSETS – OTHER**

	Freehold property £'000	Computers and office equipment £'000	Furniture fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
1 April 2021	7,640	5,510	294	60	13,504
Additions	-	386	115	-	501
Disposals	-	-	-	-	-
31 March 2022	<b>7,640</b>	<b>5,896</b>	<b>409</b>	<b>60</b>	<b>14,005</b>
<b>Depreciation and impairment</b>					
1 April 2021	(2,084)	(4,658)	(282)	(60)	(7,084)
Depreciation charged in year	(144)	(311)	(11)	-	(466)
Released on disposal	-	-	-	-	-
31 March 2022	<b>(2,228)</b>	<b>(4,969)</b>	<b>(293)</b>	<b>(60)</b>	<b>(7,550)</b>
<b>Net book value</b>					
31 March 2022	<b>5,412</b>	<b>927</b>	<b>116</b>	<b>-</b>	<b>6,455</b>
31 March 2021	5,556	852	12	-	6,420

**12. PROPERTIES FOR SALE**

	2022 £'000	2021 £'000
Shared ownership properties	761	4,623
Buy back of property in the year	354	-
Disposal of properties held for sale	(1,020)	(329)
Transferred to Social Rent	(95)	(3,533)
Completed properties	-	761

### 13. DEBTORS

	2022 £'000	2021 £'000
<b>Amounts falling due within one year:</b>		
Rent and service charges receivable	952	722
Less: provision for bad and doubtful debts	(194)	(222)
	<b>758</b>	<b>500</b>
Other debtors	766	688
Prepayments and accrued income	620	385
Other taxation and social security costs	3	1
	<b>2,147</b>	<b>1,574</b>

### 14. CURRENT ASSET INVESTMENTS

	2022 £'000	2021 £'000
Valuation at 1 April 2021	7,262	5,244
Additions in year	237	375
Disposals in year	(36)	(375)
Unrealised (loss)/ gain	(906)	2,018
Movement in year	(705)	2,018
Valuation at 31 March 2022	<b>6,557</b>	<b>7,262</b>

The Association recognised a total loss of £705k (2021: £2,018k gain) in the Statement of Comprehensive Income in the period; consisting of an unrealised loss of £906k (2021: £2,018k) netted off by a realised gain of £201k (2021: £nil).

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £'000	2021 £'000
Debt (note 18)	200	352
Rent and service charges received in advance	343	204
Other grants received in advance	19	14
Deferred capital grants (note 17)	2,992	2,972
Trade creditors	2,225	982
Other taxation and social security costs	264	255
Other creditors	367	374
Accruals and deferred income	854	1,720
	<b>7,264</b>	<b>6,873</b>

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022 £'000	2021 £'000
Loans (note 18)	400	1,328
Deferred capital grant (note 17)	56,304	59,316
	<b>56,704</b>	<b>60,644</b>

**17. DEFERRED CAPITAL GRANT**

	2022 £'000	2021 £'000
As at 1 April 2021	62,288	63,396
Grant received in the year	-	1,864
Capital grant abated	-	-
Capital grant released	(2,992)	(2,972)
As at 31 March 2022	<b>59,296</b>	<b>62,288</b>
Amounts to be released within one year	2,992	2,972
Amounts to be released in more than one year	56,304	59,316
	<b>59,296</b>	<b>62,288</b>

## 18. DEBT ANALYSIS - BORROWINGS

	2022 £'000	2021 £'000
<b>Being Loans falling due:</b>		
within one year	200	352
after more than one year	400	1,328
	<b>600</b>	<b>1,680</b>
<b>Based on the lender's earliest repayment date, borrowings are repayable as follows:</b>		
Due within one year	200	352
Due in one year or more but less than two years	200	365
Due between two and five years	200	963
Due in more than five years	-	-
	<b>600</b>	<b>1,680</b>
<b>Bank loans:</b>		
Fixed Rate	600	1,680
Variable Rate	-	-
	<b>600</b>	<b>1,680</b>
<b>Interest rates for year</b>		
Fixed	1.92%	1.62%
Variable	-	-
<b>Overall</b>	<b>1.92%</b>	<b>1.62%</b>

There are no properties secured against the loans (2021 £8.64m - 258 housing units).

Note that remaining loans of £600k are unsecured; have no interest payable on them; and are repayable in installments until 31 March 2025.

## 19. PROVISIONS FOR PENSION LIABILITY - GROWTH PLAN

	2021/22 Growth Plan £'000
1 April 2021	59
Unwinding of the discount factor	-
Deficit contribution paid	(15)
Remeasurements - impact of any change in assumptions	-
Remeasurements - amendments to the contribution schedule	(33)
<b>31 March 2022</b>	<b>11</b>

The provision represents the net present value of the commitment to the multi-employer pension schemes in respect of past service deficits. See Note 25 Retirement Benefits for further information.

## 20. SHARE CAPITAL

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

	2022 Number	2021 Number
Number of members		
1 April 2021	82	84
Joined during the year	5	4
Left during year	(6)	(5)
PY Adjustment	-	(1)
<b>31 March 2022</b>	<b>81</b>	<b>82</b>

## 21. RECONCILIATION OF SURPLUS TO NET CASH GENERATED FROM /(USED IN) OPERATIONS

	2022 £'000	2021 £'000
Surplus/(Deficit) for the year	2,809	6,025
<u>Adjustments for non-cash items:</u>		
Depreciation and amortisation of tangible and intangible fixed assets	6,598	6,589
Amounts released from deferred capital grant	(2,992)	(2,972)
Defined benefit pension schemes	(1,570)	(1,619)
Decrease in provisions	(48)	(11)
Loss on disposal of other fixed assets	-	-
(Gain)/ loss on disposal of tangible fixed assets	(98)	(84)
Net proceeds of disposal of shared ownership properties	(1,129)	-
Purchase of current asset investments	-	-
Loss on current asset investments	705	(2,019)
Interest receivable	(121)	(105)
Interest payable	307	149
<b>Operating cash flows before movements in working capital</b>	<b>4,461</b>	<b>5,953</b>
Movement in properties held for sale	1,020	329
(Increase) in trade and other debtors	(573)	(426)
Increase in trade and other creditors	523	(461)
<b>Cash generated from operations</b>	<b>5,431</b>	<b>5,395</b>



## 22. CAPITAL COMMITMENTS AND OTHER CONTRACTUAL OBLIGATIONS

	2022 £'000	2021 £'000
Capital expenditure approved but not contracted for in the financial statements	7,368	4,956
Capital expenditure contracted for but not provided in the financial statements	-	-

Commitments will be financed through existing cash reserves and any available Housing Association Grant.

## 23. COMMITMENTS UNDER OPERATING LEASES

The total future minimum payments under non-cancellable operating leases are as follows:

	2022 £'000	2021 £'000
Amounts due:		
Within one year	6	27
Between one and five years	5	11
	<b>11</b>	<b>38</b>

## 24. RETIREMENT BENEFITS – SHPS SCHEME

The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit

of £1,560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

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

Under the defined benefit pension accounting approach, the SHPS net deficit was £11,538k as at 31 March 2021 and at 31 March 2022 is now £8,354k.

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

	31 March 2022 (£000s)	31 March 2021 (£000s)
Fair value of plan assets	52,077	51,839
Present value of defined benefit obligation	60,431	63,377
Surplus (deficit) in plan	(8,354)	(11,538)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(8,354)	(11,538)

### RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	31 March 2022 (£000s)	31 March 2021 (£000s)
Defined benefit obligation at start of period	63,377	53,728
Current service cost	223	143
Expenses	54	54
Interest expense	1,346	1,262
Member contributions	180	187
Actuarial losses (gains) due to scheme experience	2,591	(1,789)
Actuarial (gains) losses due to changes in demographic assumptions	(1,009)	244
Actuarial (gains) losses due to changes in financial assumptions	(4,396)	11,725
Benefits paid and expenses	(1,935)	(2,177)
Defined benefit obligation at end of period	60,431	63,377

## 24. RETIREMENT BENEFITS – SHPS SCHEME (CONTINUED)

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

	31 March 2022 (£000s)	31 March 2021 (£000s)
Fair value of plan assets at start of period	51,839	48,039
Interest income	1,115	1,145
Experience on plan assets (excluding amounts included in interest income)- gain (loss)	(969)	2,829
Employer contributions	1,847	1,816
Member contributions	180	187
Benefits paid and expenses	(1,935)	(2,177)
Fair value of plan assets at end of period	52,077	51,839

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2021 to 31 March 2022 was £146,000.

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

	31 March 2022 (£000s)	31 March 2021 (£000s)
Current service cost	223	143
Expenses	54	54
Net interest expense	231	117
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	508	314

### DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

	31 March 2022 (£000s)	31 March 2021 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain	(969)	2,829
Experience gains and losses arising on the plan liabilities – (loss) gain	(2,591)	1,789
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,009	(244)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	4,396	(11,725)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	1,845	(7,351)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total amount recognised in Other Comprehensive Income - gain (loss)	1,845	(7,351)

**24. RETIREMENT BENEFITS – SHPS SCHEME****ASSETS**

	31 March 2022 (£000s)	31 March 2021 (£000s)
Global Equity	9,994	8,262
Absolute Return	2,089	2,861
Distressed Opportunities	1,864	1,497
Credit Relative Value	1,731	1,631
Alternative Risk Premia	1,717	1,952
Fund of Hedge Funds	-	6
Emerging Markets Debt	1,515	2,093
Risk Sharing	1,715	1,887
Insurance-Linked Securities	1,214	1,245
Property	1,406	1,077
Infrastructure	3,710	3,456
Private Debt	1,335	1,236
Opportunistic Illiquid Credit	1,750	1,318
High Yield	449	1,552
Opportunistic Credit	185	1,421
Cash	177	1
Corporate Bond Fund	3,474	3,063
Liquid Credit	-	619
Long Lease Property	1,340	1,016
Secured Income	1,940	2,156
Liability Driven Investment	14,531	13,175
Currency Hedging	(204)	-
Net Current Assets	145	315
Total Assets	52,077	51,839

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.

## KEY ASSUMPTIONS

	31 March 2022 % per annum	31 March 2021 % per annum
Discount Rate	2.79%	2.15%
Inflation (RPI)	3.62%	3.29%
Inflation (CPI)	3.21%	2.86%
Salary Growth	4.21%	3.86%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

## 25. RETIREMENT BENEFITS – GROWTH PLAN

### SCHEME: TPT Retirement Solutions – The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

### DEFICIT CONTRIBUTIONS

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
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Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

### DEFICIT CONTRIBUTIONS

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

## 25. RETIREMENT BENEFITS – GROWTH PLAN (CONTINUED)

### PRESENT VALUES OF PROVISION

	31 March 2022 (£s)	31 March 2021 (£s)	31 March 2020 (£s)
Present value of provision	11,120	59,233	70,183

### RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2022 (£s)	Period Ending 31 March 2021 (£s)
Provision at start of period	59,233	70,183
Unwinding of the discount factor (interest expense)	342	1,577
Deficit contribution paid	(14,989)	(14,553)
Remeasurements - impact of any change in assumptions	(256)	2,026
Remeasurements - amendments to the contribution schedule	(33,210)	-
Provision at end of period	11,120	59,233

### INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2022 (£s)	Period Ending 31 March 2021 (£s)
Interest expense	342	1,577
Remeasurements – impact of any change in assumptions	(256)	2,026
Remeasurements – amendments to the contribution schedule	(33,210)	-
Total	(33,124)	3,603

### ASSUMPTIONS

	31 March 2022 % per annum	31 March 2021 % per annum	31 March 2020 % per annum
Rate of discount	2.35	0.66	2.53

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

## 26. CONTINGENT LIABILITIES

At 31 March 2022, the Board was not aware of any contingent liabilities (2021: £nil) with the exception of those referred to in the pension notes 24 and 25 and none has emerged since.

Bield has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Social Housing Pension Scheme based on the financial position of the Scheme as at 30 September 2021. As of this date the estimated employer debt for Bield was £38,329,329. It has also been notified of the estimated employer debt on withdrawal from the Growth Plan as at 30 September 2020 was £146,805 based on the financial position of the Plan.

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

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## 27. RELATED PARTY TRANSACTIONS

(i) During the year one current member of the Board, held a tenancy with Bield. An additional one Board member was a Sharing Owner with Bield. All tenancies are Scottish secure tenancies and were granted under Bield's allocations policy, with rent under normal terms. All transactions with Sharing Owners are conducted in accordance with signed legal agreements and comply with the necessary rules and regulations governing the transactions. During the year £11,073 (2021: £10,800) of rent and service

charge was receivable from these members. At the year end there was a £371 (2021: £290) outstanding balance due from these members. No guarantees have been given or received. No expense has been recognised in the year (2021: £nil) in respect of bad debts from related parties.

(ii) Bield holds £1,075,898 (2021: £1,141,699) in trust for developments relating to owner occupiers.





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