



BIELD HOUSING & CARE

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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BOARD, DIRECTORS AND ADVISERS

BOARD:

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

Margaret Moore

Pat Dawson – resigned 14/2/23

Ingrid Deuling, Dip COT,
COTSS-Housing, HCPC
(Retired), BEM – retired 22/9/22

William Smalley*

Isabel McGarvie B'Acc, CA, ATII
(Vice Chair),

Graeme Russell BA(Hons) FCIH

Carole Lamond FCIPD, MAC –
resigned 11/1/2023

David Fisher BA (Hons), DipH,
MBA, FRGS

(co-opted 25/9/2021 -
24/3/2023)

Robert Fernie, ACMA, CGMA
(Vice-Chair)

Eric Lewis ** (resigned 25/6/
2022)

Elisabeth McNeil (co-opted
25/9/2021 – 11/11/2022)

Cath Strachan, MBA (co-opted
23/2/2023)

Dougie Peters, BCom (Hons),
CA (appointed casual vacancy
23/3/2023)

Angus MacRae, LLB, Dip LP
(appointed casual vacancy
23/3/2023)

Brian McLaren (appointed casual
vacancy 23/2/2023)

Derek Breingan (co-opted
20/10/2022)

COMPANY SECRETARY:

Clare Beesley

SENIOR MANAGEMENT TEAM:

Senior Management Team:

Chief Executive

Dr. Lynne Douglas Prof.D.MPhil
BSC

Interim Director of Business Development

Andrea Paterson FCPFA,
MBA(dist.), BA Acc (Appointed
September 2022)

Director of Business Development

Val Hunter, Bsc MRICS (resigned
September 2022)

Director of Finance and Technology

Paula Rice, BCom,
BAccSc(Hons), CA(SA) (Resigned
September 2022)

Interim Director of Finance

Jack Marshall CPFA (September
2022- March 2023)

Chief Operating Officer

Debbie Collins, ACMA, CGMA
(Appointed March 2023)

Director of Customer Services

Tracey Howatt CIHM

Director of 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

Harper Macleod
65 Haymarket Terrace
Edinburgh
EH12 5HD

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 2023. 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. Our primary objective remains to improve the quality of life of older people by offering a diverse range of housing, care and other services to make it possible for more people to live their best lives, at home, surrounded by a supportive community. Our goal is to listen to what our customers are telling us to meet their needs and expectations. Through our co-design approach we will improve and develop new services with our tenants. Bield has 5,209 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 who retired in November 2022. 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. During the year the Director of Finance and Technology and Director of Business Development resigned in September 2022. Bield reviewed its SMT structure and strengthened its SMT by appointing a Chief Operating Officer in March 2023 and appointed an interim Director of Business Development in September 2022.

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

2022-23 was the final year of our current Business Strategy that has seen us through a period of global uncertainty and rapid change. Our aim during the year was to 'Put our Customers First' by making them the heart of everything we do. The current year's Business Plan set objectives to better understand Bield's challenges, consider processes, understand our tenants better, and maintain Bield at the forefront of older people services in Scotland. We continue to reinforce our long-term strategy and objectives looking forward to ensuring we continue to remain relevant, sustainable and fit for purpose for the future setting a new ambitious Strategy for 2023-28 to make it possible for more people to live their best lives, at home, surrounded by a supportive community.



OUR VISION, MISSION AND VALUES

Bield’s new strategy has reaffirmed our 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 new strategy is deliberately ambitious and stretching. Designed to make a real and measurable difference for our customers and wider society, this Corporate Strategy & Business Plan signals the launch of a period of significant change for us. We know that we must act now if we want to play a leading role in meeting the housing needs of future generations.

OUR 10 YEAR VISION: We will lead, set and deliver the global standard for ageing at home.

OUR 5 YEAR AMBITION: By 2028 we will have:



OUR VALUES:

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



DELIVERING OUR STRATEGY

Our five strategic intentions, or goals, act as the pillars of our strategy and set out how we will create value for our customers and wider society. They are each designed to be stretching and, together, they will point us towards achieving our Vision. We will take a phased approach to delivering our new strategy across three-time horizons to Strengthen (Years 1-2), Grow (Years 2-4) and Lead (Years 3-5).

STRATEGIC INTENTIONS

Face the challenges	We do not underestimate the many challenges we face, nor the considerable efforts required to overcome these. Nonetheless, we will embrace challenge as an opportunity for change, collaboration, and innovation. We will start by asking ourselves the difficult questions and ensuring we have a full understanding of the challenges, risks, opportunities, and potential impacts.
Improve efficiency	We are fully committed to affordable rents and service charges and so will continue to seek sustainable and innovative ways to improve our efficiency, cost control and value for money. We know there is scope to further improve our efficiency and reduce some costs. We also know that this will be especially hard to do at a time of rising costs and economic uncertainty.
Harness our strengths	We have amassed considerable strengths over the past 50+ years but now need to fully appreciate these and put them to more effective use. For example, we want to make better use of our insight and specialist knowledge both internally and externally, and to reinvigorate our organisational culture with our specialist and talented workforce.
Enhance our impact	We know that we make a positive difference to our customers' lives and that demand for our homes and services is increasing. This partly explains why we are so eager to assist more people to live their best lives. In addition, the results from our customer survey indicate where there is room for improvement and our innovative projects and collaborations help us to understand how we can improve our performance and effectiveness.
Lead the way	We have clearly signalled the level of our ambition in our vision statement. We want to see housing for older people becoming the exemplar for mainstream housing. We also want to showcase a personalised and proactive approach to service delivery and promote the use of telecare and other innovative tools to enhance customer choice, engagement, and satisfaction.

We have reassessed our priorities in light of our changing context and renewed ambition and identified 12 Corporate Priorities for these next five years.

STRATEGIC INTENTIONS



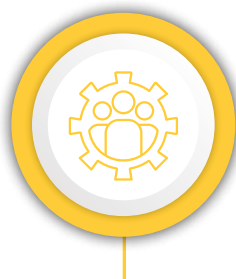
Face the challenges

1. Needs and Expectations
2. Customer Services
3. Asset Management



Improve efficiency

4. Operating Model
5. Digital Technology
6. Financial Management



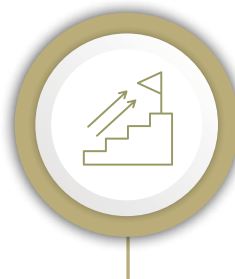
Harness our strengths

7. Organisational Culture
8. Insight and Specialist Knowledge



Enhance our impact

9. New Build & Remodelling
10. Partnership & Collaboration



Lead the way

11. Innovation
12. Influence

OUR CORPORATE PRIORITIES

Bield's new Strategy will work with partners to support key external drivers as follows:

- By 2030 it is anticipated there will be over 600,000 people aged 75 and over in Scotland.
- Scottish Government – National Care Service Review and Digital Health & Care Strategy promote greater integration of technology-based solutions to support aging at home.
- Cost of living crisis – maintaining affordable homes in an uncertain economic environment.
- Energy crisis and impacts on fuel poverty.
- Housing to 2040 and the Scottish Government Affordable Housing Supply Programme (AHSP).
- The 20 minute neighbourhood concept so local residents can meet all their daily needs within a 20 minute walk or cycle.
- Energy Efficiency Standard for Social Housing (EESH2).
- Carbon Neutral / net zero targets - Achieving net zero in Social Housing (ZEST Report).

To successfully deliver our new strategy we will ensure we set out well-framed projects and programmes, sufficient resources, opportunities for timely feedback and joined-up performance management. We have strengthened our strategic management approach through investment in our people, processes and project management tools and are confident in our ability to deliver on our strategic intentions.

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.

COVID-19 AND WIDER ECONOMIC ENVIRONMENT IMPACTS

Our operating environment has been fundamentally changed over the last two to three years as we emerge from Covid-19 and are faced with significant and complex supply chain issues, driven by the pandemic and Brexit and cost of living pressures from the war in Ukraine. 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 cost of living crisis and soaring energy costs have impacted both on our tenants and resources for Bield during the year. We have provided support to tenants by introducing Income Advice Officers, introducing an energy equalisation fund, securing grants to support tenants with energy costs, advice on energy usage in their homes and continued investment in our homes to minimise the impact of the current economic challenges for our tenants.

The Board have been kept informed of and have supported decisions made by the Management Team in response to the pressures resulting from the turbulent economic environment. 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 volatile economic environment has seen increasing risks from the cost of living crisis and a significant increase in energy costs during the year. 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. Bield is developing a new Board Assurance Framework to monitor the risks of delivering its new Strategy, Business Health Risks and Operational Risks which will be implemented from August 2023.

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: Energy Efficiency Standard for Social Housing (EESH2) and Net Zero

Background and Mitigation of Risk

The social housing sector is committed to meeting the Scottish Government and Scottish Housing Regulator's net zero, carbon reduction and energy efficiency measures. We have developed a Strategic Asset Management Strategy which sets out investment in new and existing homes to support the Net Zero agenda.



Key Risk: Inflationary increases and Energy Crisis

Background and Mitigation of Risk

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. We have introduced an energy equalisation fund during 2022/23 to help protect tenants and considered the impact of continuing inflationary pressure as part of our 5 and 30 year financial plans.



Key Risk: Increased Pension Deficits

Background and Mitigation of Risk

The triennial valuation of the SHPS scheme as at 30th 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. Bield reviewed its pension consideration during 2022/23 and on the 31st May 2023 it was closed to further accruals reducing potential future rising cost.



Key Risk: Rent and Service Charge Affordability

Background and Mitigation of Risk

Rent affordability is a key area of concern for the business and we are working to ensure that rent increases remain affordable. We have restructured rents which included some service charges to separate out energy cost and introduced an energy equalisation fund to support tenants. A rent uplift of 7% has been set for 2023/24 and included in the budget to ensure we maintain affordable rents below inflation and continue to deliver high quality services. We have provided support to tenants to maximise their income from Income Advice Officers. We have considered affordable rent and services charges uplifts as part of our 5 and 30 year financial plans.



Key Risk: Recruit and Retain Key Staff

Background and Mitigation of Risk

Our People Strategy has a key theme of recruitment, reward, and recognition. We have offered pay awards and pay harmonisation for 2023/24 to support employees with cost of living pressures. We have assessed the capacity and capability to deliver our new Strategy and will enhance this with external advisors for short-term projects. We are carrying out a review of our operational models during 2023/24 which will inform how we develop employees as we change how we deliver our services.



OPERATIONAL PERFORMANCE

A number of major projects were initiated or successfully completed during 2022-23, including:

- We have supported tenants with the cost of living crisis and high energy bills through recruiting Income Advice Officers to maximise their income and supporting additional energy costs in 2022-23 of £1.5m through a new energy equalisation fund.
- We launched our new Digital Hub in Linlithgow to showcase our TAPPI Phase 2 project funded by a £75k grant to demonstrate technology for our ageing population to enhance the lives of our ageing population with our partners.
- We reviewed our Meals Service to tenants during the year which has allowed us to introduce new menu cards and higher quality meals which ensures we can continue to offer meals at an affordable price.
- We won the ITEC Innovation award for the 'Inspire Phase 2' project which involved an intensive proactive telecare trial revealing astonishing results about the impact of proactive intervention for older adults.
- The digital modernisation programme 'The Big Reboot' has continued to deliver digital change across the business with our new housing system launched in November to help streamline processes and improve our customer services.
- We have changed how we work following the pandemic offering more flexible working with a hybrid model of working from home which has allowed us to sell one of our offices with the proceeds now available to invest in our homes.
- We made a strategic decision to withdraw from 16 factored only developments and all services were transferred by 30th June 2023 so we can focus on our core business.



RESOURCES

HOUSING STOCK

At 31 March 2023 Bield managed 5,209 properties, of which 4,597 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 2023, Bield had the following stock in management:

	2023	2022
Amenity	422	396
Retirement (including Sheltered)	2,711	2,750
Retirement Housing with Meals, Plus (including Very Sheltered)	1,188	1,191
General Needs	128	128
Shared Ownership / Equity	148	149
Owner Services	612	730
Total	5,209	5,344

The Board recognises the need to maintain and improve existing housing stock and approved its new Strategic Asset Management Strategy in May 2023. Bield is expecting to invest around £37m in existing homes to improve its properties and the energy efficiency standards over the next five years.

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*

EMPLOYEES

Bield's dedicated and motivated workforce are core in how we deliver for our customers, supporting our tenants to live independently. In 2022-23, the average number of full-time equivalent staff employed by Bield was 465 (2021-22: 462).

Our People Strategy sets out the ambition for our people and our workplans capture what we will deliver to support everyone to reach their full potential. We support workforce performance with a range of people related policies, processes, and practices, which are reviewed in collaboration with our employee forum and people. We benchmark our approaches externally and connect with partners to help grow a workplace experience that celebrates differences, our successes and is inclusive for all. Our people performance is monitored and managed against a range of measures and reported within our governance arrangements. We continue to invest in creating a healthy and safe workplace, supporting our people with learning opportunities and access to a range of support as they carry out their roles.

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 recognises its legal duty of care towards protecting the health and safety of its employees, tenants and others who may be affected by the organisation's activities. Health and safety are a business-critical function within Bield, with all employees active in ensuring the safe running of our services and properties. Operationally we manage and regularly review our policies and practices to support compliance and promote healthy workplaces and homes. This work is led by appointed leads and a health and safety management group, supported by a rolling programme of training and education for all. Bield works with external specialists and partners to support delivery of our commitments, with governance through our Senior Management and Board.

SUSTAINABILITY AND COMMUNITY ISSUES

As Scottish Government, Local Authorities and Communities attempt to mitigate or adapt to the climate crisis and strive towards Net Zero by 2045, over the next decade we are going to see significant change which we cannot stop, and therefore have to embrace, contribute and grow with the changes or be left behind.

The Scottish Government introduced their Climate Change (Scotland) Act in 2009 in response to the Paris Agreement, and the Climate Change Act amendment in 2019 which set targets to achieve net zero carbon by 2045. In addition to this the Scottish Government published their Heat in Building strategy, which has a clear indication on the direction of travel to decarbonise heating systems while remaining affordable and fair. As an organisation Bield must be sustainable and offer attractive, affordable, low-carbon living and working. We need greener, cleaner places and to reduce energy poverty among our service users. Environmental probity drives us towards doing as much as possible with as little as possible. As the sector moves away from fossil fuel based heating, we must carefully consider our buildings' energy performances and suitability by transforming to electric heating systems, improving thermal performance and reducing energy costs for our tenants.

Buildings account for 35% of the total global energy consumption. As much as 60% of the energy we use in our homes is for heating and hot water, and much of that energy escapes from our homes through windows, door, roofs, and walls. In order to make our buildings suitable for affordable electric heating we have to understand how much we can improve them in terms of energy performance. We can wait to be told what to do but inevitably we know now what the standard and expectation will likely be therefore we can start towards that without delay. This will ensure we are better informed and better equipped to deliver on these challenging targets. By delivering energy efficient and affordable homes, it will allow us to be forefront of the sector and the first choice for older people to live independently.

We are also clear that working to minimum standards will no longer do for Bield or for its tenants and through the Strategic Asset Management Strategy (SAMS) we are raising our standards developing a new Design Guide for our homes. We are aiming for quality and sustainability in our design standard and to future proof our investment. We will adopt Passivhaus, or equivalent, for our new build properties and Enerfit, or equivalent, for our existing properties. Products used need to be of sufficient quality to deliver right first-time results, to ensure they last and that they are affordable to our tenants and to us.

EQUALITY, DIVERSITY & INCLUSION

The Board is committed to creating a culture that celebrates differences, promotes equality, and seeks to be inclusive in all that we do. Bield strategies, policies and procedures work to ensure we actively support the rights of individuals, seek to reduce disadvantage, and promote equality of opportunity across our services and employment practices.

Bield continues to monitor and review practices, working with our tenants, workforce, and partners to grow our offer and ensure we reflect the needs of communities we serve. Bield's Strategy sets out our ambition with our action plan capturing what we will deliver, our progress is monitored and reported through our performance reports and governance structure.



FINANCIAL REVIEW

ACCOUNTING POLICIES

The principal accounting policies of Bield are set out in Note 1 of the Notes to the Financial Statements.

FINANCIAL HIGHLIGHTS

Turnover for the year was £45.0m (2022: £43.0m) which is a £2.0m increase from the prior year.

Operating costs for the year were £44.5m (2022: £39.4m), an increase of £5.1m from the prior year. The total operating surplus is £0.7m (2022: £2.8m) for the year. This reflects the economic turmoil with high inflation impacting on maintenance costs and high energy costs from the war in Ukraine. Energy costs have been supported by a new policy which introduced an energy service equalisation account which supported increased costs of £1.5m during the year not passed on to tenants.

The total comprehensive deficit of £0.9m (2022: surplus £4.6m) has been returned for the year. This includes a negative non-cash movement in the pension liability of £1.0 m (2022: Positive movement of £1.8m) for the defined benefit pension scheme which includes changes in the actuarial assumptions underlying the valuation.

Capital expenditure on properties amounted to £5.9m (2022: £4.5m) with expenditure of £0.2m (2022: £nil) on the new build development programme. We have received no new grant funding for development in the year (2022: £ nil). After a depreciation charge of £6.3m (2022: £6.1m), the net book value of Bield's housing properties decreased from £114.5m to £113.6m.

PENSIONS

Bield is a member of the SHPS multi-employer defined benefit pension scheme which was closed to future accruals on the 31st May 2023. 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 2023 is £ 7.8m (2022: £8.4m) and has therefore resulted in a decrease in the net liability at 31 March of £0.5m. 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 (2022: £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 as part of its 2023-28 Strategy. 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 from the economic turmoil during 2022/23 has seen a reduction in the holding value at year end to £5.9m a reduction of £0.6m 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 and sought advice during the year on the portfolio to minimise the risk of the investment due to current volatile markets.

CAPITAL STRUCTURE AND TREASURY MANAGEMENT

Total reserves at the end of the year were £71.7m (2022: £72.5m) of which £71.6m (2022: £72.5m) related to the general Revenue Reserve (99.8% of the reserves are general revenue reserves). Bield has one interest free loan at the end of the year of £0.4m (2022: £0.6m). The gearing ratio of 0.6% (loans as a percentage of reserves) remains very 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 (2022: £nil). Cash balances have reduced by £2.7m within the year to £12.4m



(2022: £15.1m) at the end of the financial year which complies with the minimum required operational liquidity of one month's expenditure and minimum cash balance at any time of £1m as specified in the Treasury Management Policy.

Bield's Treasury Management Policy was reviewed and updated in September 2022 and 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 Chief Operating Officer, 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 balances 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 reduction in 2022-23 was £2.7m over the previous year as Bield saw increased inflationary costs and increased its investment in its homes. Bield ended the year with a positive reconciled cash balance of £12.4m (2022: £15.1m).

FIXED ASSETS

The cost of Bield's housing properties after depreciation is £113.6m (2022: £114.5m). 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 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 KMF Maxwell Stuart Trust and SFHA Fuel Support fund.

The revenue reserve represents the accumulated annual surpluses of Bield. This reserve has been primarily invested in property assets let to tenants. At the end of March 2023 25% of Bield's total reserves are represented by cash or liquid investments and will be used to support investment set out in Bield's new Strategy and to ensure we hold 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:

	2022/23	2020/21	Internal Target
Operational:			
Reactive repairs carried out and completed right first time	79.4%	85.5%	92.0% or better
Social Housing Rent loss (Voids) due to empty properties during the year	3.4%	4.7%	Under 3.75%
Social Housing Rent arrears as a % of rent due	2.3%	1.00%	Under 1.40%
Staff sickness absence	6.7%	6.85%	5.0% or less
Financial:			
Quick ratio	261%	329%	Over 100%
Surplus as a proportion of turnover	0.3%	6.6%	Over 4.6%

The costs of living crisis, increasing energy cost and continued supply chain issues have had an impact on performance during 2022/23 in particular arrears and customer satisfaction. In addition, Bield implemented a new housing management system in November 2022 and will be further developing its data analysis to support improvements in key performance indicators next year.

The financial ratios quick ratio remains strong due to high cash balance at the end of the year. The surplus has fallen below the target due to the economic pressures throughout the year in particular the inflationary cost of repairs and maintenance.

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 its new Business Strategy for 2023-2028 is successfully delivered.

The economic uncertainty and high cost of living 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 £12.4m as well as investments of £5.9m that are available if required.

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
2nd August 2023

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 2023. 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 21.

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 has 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.
 - Regular 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 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 review of 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 and external auditors have 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
2nd August 2023

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 2023 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 2023 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 20, 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

Date: 3rd August 2023

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 21 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 21 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

Date: 3rd August 2023

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

		2023	2021
	Notes	Total £'000	Total £'000
Turnover	2	43,981	43,013
Operating expenditure	2	(44,493)	(39,411)
Gain on disposal of fixed assets	9	193	98
Operating surplus		681	3,700
Investment income and interest receivable	6	306	121
Interest and financing costs	7	(209)	(307)
Movement in fair value of current asset investments	14	(608)	(705)
Surplus for the financial year		170	2,809
Actuarial gains/(losses) in respect of pension schemes	24	(1,029)	1,845
Total comprehensive income/(expenditure) for the year		(859)	4,654

The accompanying notes on pages 31 to 58 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023 £'000	2022 £'000
FIXED ASSETS			
Intangible assets	11.A	9	17
Housing properties	11.B	113,576	114,543
Other fixed assets	11.C	5,741	6,455
		119,326	121,015
CURRENT ASSETS			
Properties held for sale	12	-	-
Trade and other debtors	13	4,097	2,147
Current asset investments	14	5,949	6,557
Cash and cash equivalents		12,401	15,128
		22,447	23,832
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	15	(8,612)	(7,264)
NET CURRENT ASSETS			
		13,835	16,568
TOTAL ASSETS LESS CURRENT LIABILITIES			
		133,161	137,583
Creditors: amounts falling due after more than one year	16	(53,589)	(56,704)
Provision for pension liability	19	(7)	(11)
Pension - defined benefit liability	24	(7,848)	(8,354)
TOTAL NET ASSETS			
		71,717	72,514
RESERVES			
Revenue reserve		71,600	72,459
Restricted reserve		117	55
TOTAL RESERVES			
		71,717	72,514

The financial statements were approved by the Board and authorised for issue on 27 July 2023 and are signed on its behalf by:

LESLEY HOLDSWORTH ROBERT FERNIE
Members of the Board

CLARE BEESLEY

Company Secretary

The accompanying notes on pages 31 to 58 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2023

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

	Restricted Reserve £'000	Revenue Reserve £'000	Total Reserves £'000
Balance at 1 April 2022	55	72,459	72,514
Surplus for year	-	170	170
Other movement	62	-	62
Actuarial gain in respect of pension schemes	-	(1,029)	(1,029)
Balance at 31 March 2021	117	71,600	71,717

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £'000	2022 £'000
Net cash generated from operating activities	21	1,488	5,431
Cash Flow from Investing Activities:			
Purchase of tangible and intangible fixed assets		(6,294)	(4,948)
Purchase of current asset investments		(1)	(237)
Net proceeds from sale of tangible fixed assets		1,974	1,612
Proceeds from sale of current asset investments		-	237
Interest received		306	121
Buybacks of properties held for sale		-	(354)
Net Cash (used) in Investing Activities		(1,898)	(3,569)
Cash Flow from Financing Activities:			
Interest paid		-	(76)
Repayments of borrowings		(200)	(1,080)
Receipt of Housing Grant		-	-
Drawdown of New Loans		-	-
Net Cash generated/ (used) in Financing Activities		(200)	(1,156)
Net Increase in Cash and Cash Equivalents		(2,727)	706
Cash and Cash Equivalents at Beginning of Year		15,128	14,422
Cash and Cash Equivalents at End of Year		12,401	15,128

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

	2023 £'000	2022 £'000
Increase in cash	(2,727)	706
New borrowings	-	-
Repayments of borrowings	200	1,080
Net cash inflow from operating activities	(2,527)	1,786
Net cash/ (debt) at 1 April	14,528	12,742
Net cash/ (debt) at 31 March	12,001	14,528
Cash at bank	12,401	15,128
Loan finance	(400)	(600)
Net cash/ (debt) at 31 March	12,001	14,528

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 – 19).

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.

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 as follows 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 2023 was £7,848k (2022: £8,354k).

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 £12.4m as well as investments of £5.9m that are available if required. As part of our normal business processes and due to economic environment additional in-year re-forecasts have been produced and our annual 30-year forecasts have been amended to consider the impact of the cost of living 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.

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 below.

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
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(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 18.

RETIREMENT BENEFITS

Bield participates in two industry wide, multi-employer defined benefit pension schemes, the Social Housing Pension Scheme (SHPS) and the Growth Plan, 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.

SERVICE EQUALISATION ACCOUNTS

Bield introduced a new policy during the year to operate a service equalisation account for communal and domestic energy charges to tenants. This new policy ensures that any under or over charges during the year is transferred to the account and will inform future years energy charges so that tenants only pay for the cost of the energy in their development.

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	2023 Operating Surplus/(Deficit) £'000	2022 Operating Surplus (Deficit) £'000
Affordable letting activities	3	37,592	(37,791)	(199)	2,485
Other activities	4	7,389	(6,702)	687	1,117
		44,981	(44,493)	488	3,602
Gain on sale of Fixed assets	9	193	-	193	98
Total 2022/23		45,174	(44,493)	681	3,700
Total for previous reporting period 2021/22		43,111	(39,411)	3,700	

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 2023 £'000	Total 2022 £'000
Rent receivable net of service charges	751	22,382	365	23,498	25,446
Service charges	64	10,737	1,243	12,044	8,345
Gross income from rents and service charges	815	33,119	1,608	35,542	33,791
Less voids	(14)	(1,248)	(17)	(2,158)	(1,587)
Net income from rents and service charges	801	31,871	1,591	31,312	32,204
Grants released from deferred income	-	2,944	10	2,972	2,992
Revenue grants from Scottish Ministers	-	375	-	289	304
Total turnover from affordable letting activities	801	35,190	1,601	37,592	35,500
Management and maintenance administration costs	(175)	(6,919)	(203)	(7,297)	(6,086)
Service costs	(343)	(15,048)	(399)	(15,790)	(12,614)
Planned and cyclical maintenance including major repairs costs	(76)	(2,997)	(88)	(3,161)	(3,690)
Reactive maintenance costs	(123)	(4,866)	(143)	(5,132)	(4,537)
Bad debts - rents and service charges	(3)	(110)	(3)	(116)	(1)
Depreciation of affordable let properties	(151)	(5,969)	(175)	(6,295)	(6,087)
Impairment of affordable let properties	-	-	-	-	-
Operating Costs for affordable letting activities	(871)	(35,909)	(1,011)	(37,791)	(33,015)
Operating surplus or deficit for affordable letting activities	(70)	(719)	590	(199)	2,485
Operating surplus or deficit for affordable letting activities for previous reporting period	(14)	1,772	727	2,485	

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	2021/22 Operating surplus or deficit for prior period £'000
Support activities	-	-	-	-	-	-	-	-	-
Care activities (excluding Care Homes)	-	2,942	-	550	3,492	-	(2,804)	688	540
Contracted out services undertaken for other orgs	-	-	-	1,592	1,592	-	(1,535)	57	286
Community alarm, letting of communal facilities	-	-	-	1,534	1,543	-	(1,863)	(329)	51
Business development activities	-	-	-	186	186	-	-	186	149
First tranche shared ownership sales	-	-	-	585	585	-	(500)	85	109
Total from other activities	-	2,942	-	4,447	7,389	-	(6,702)	687	1,117
Total from other activities for the previous reporting period 2021/22	-	2,563	-	4,950	7,513	-	(6,396)	1,117	

5. UNITS UNDER DEVELOPMENT AND IN MANAGEMENT

	Units In Management	
	2023 Units	2022 Units
General Needs Housing	128	128
Supported Housing:		
Sheltered/Very Sheltered/Amenity/Retirement	4,321	4,337
	4,449	4,465
Shared ownership	148	149
Private housing under management:		
Wholly owned	574	685
Agency & Resident Staff	38	46
	612	731
Total units under development and in management	5,209	5,345

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Units In Management	
	2023 £'000	2022 £'000
Interest on bank deposits	154	4
Income from listed investments	152	117
	306	121

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Units In Management	
	2023 £'000	2022 £'000
Interest arising on:		
Bank loans and overdrafts	-	76
Net interest expense on defined benefit pension	209	231
	209	307

8. OPERATING SURPLUS OR DEFICIT

	2023 £'000	2022 £'000
Operating surplus is stated after charging/(crediting):		
Depreciation of housing properties	6,295	6,087
Amortisation of intangible fixed assets	8	45
Depreciation of other tangible fixed assets	484	466
Operating lease rentals	35	13

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

	2023 £'000	2022 £'000
Audit services - statutory audit of the Association	30	22
Other services	-	-
	30	22

9. SURPLUS OR DEFICIT ON DISPOSAL OF FIXED ASSETS

	2023 £'000	2022 £'000
Other Assets: loss on sale	203	-
Housing Properties: sale proceeds	570	483
Less: Properties held for sale	-	-
Less: Net Book Value of Fixed Assets	(177)	(342)
	393	141
Disposal of Housing Properties Components	(403)	(43)
Housing Properties: (loss)/ surplus on disposal	(10)	98
Disposal of Intangible assets	-	-
	193	98

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

10. EMPLOYEES

	2023 No.	2022 No.
The average monthly number of full time equivalent persons employed by the Association (including Directors) during the year was:		
Office and management/Administration	140	137
Scheme based staff	325	325
	465	462
	2023 £'000	2022 £'000
Staff costs for the above persons:		
Wages and salaries	13,578	12,972
Social security costs	1,030	922
Pension costs	595	548
Agency staff	521	501
Redundancy payments	59	34
	15,783	14,977

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.

	2023 £'000	2022 £'000
Total emoluments paid to Key Management Personnel	448	399

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:

	2023 No.	2022 No.
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	2	2
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1
	2	3

	2023 £'000	2022 £'000
Aggregate emoluments for the above Directors (excluding pension contributions and including benefits in kind)	287	285
Aggregate pension contributions in relation to the above Directors	16	15
Aggregate benefits in kind in relation to the above Directors	-	-
The emoluments for the Chief Executive (excluding pension contributions)	120	115
The pension contributions for the Chief Executive	7	6
Total emoluments for the Chief Executive	127	121

Total expenses reimbursed to Directors and to Board members in so far not chargeable to Income Tax were £720 (2022 - £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
Cost	
1 April 2022	315
Additions	-
Disposals	-
31 March 2023	315
Amortisation and impairment	
1 April 2022	(298)
Amortisation charged in year	(8)
Released on disposal	-
31 March 2023	(306)
Net book value	
31 March 2023	9
31 March 2022	17

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
Cost				
1 April 2022	238,656	228	3,851	242,735
Additions	-	-	-	-
Works to existing properties	5,875	-	33	5,908
Disposals	(2,716)	-	(173)	(2,889)
Transfers to properties for letting	-	-	-	-
Schemes completed	-	-	-	-
31 March 2023	241,815	228	3,711	245,754
Depreciation and impairment				
1 April 2022	(127,158)	-	(1,034)	(128,192)
Depreciation charged in year	(6,222)	-	(73)	(6,295)
Impairment charged in year	-	-	-	-
Released on disposal	2,246	-	63	2,309
Transfers	-	-	-	-
31 March 2023	(131,134)	-	(1,044)	(132,178)
Net book value				
31 March 2023	110,681	228	2,667	113,576
31 March 2022	111,498	228	2,817	114,543

EXPENDITURE ON WORKS TO EXISTING PROPERTIES

	2023 £'000	2022 £'000
Replacement component spend capitalised	5,704	4,444
Amounts charged to statement of comprehensive income	3,161	3,690
Total major repairs spend	8,865	8,134

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 2022)

11.C TANGIBLE FIXED ASSETS – OTHER

	Freehold property £'000	Computers and office equipment £'000	Furniture fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
1 April 2022	7,640	5,896	294	60	14,005
Additions	-	386	115	-	386
Disposals	(915)	-	-	-	(915)
31 March 2023	6,725	6,225	466	60	13,476
Depreciation and impairment					
1 April 2022	(2,228)	(4,969)	(293)	(60)	(7,550)
Depreciation charged in year	(140)	(304)	(40)	-	(484)
Released on disposal	299	-	-	-	299
31 March 2023	(2,069)	(5,273)	(333)	(60)	(7,735)
Net book value					
31 March 2023	4,656	952	133	-	5,741
31 March 2022	5,412	927	116	-	6,455

12. PROPERTIES FOR SALE

	2023 £'000	2022 £'000
Shared ownership properties	-	761
Buy back of property in the year	441	354
Disposal of properties held for sale	(441)	(1,020)
Transferred to Social Rent	-	(95)
Completed properties	-	-

13. DEBTORS

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Rent and service charges receivable	1,337	952
Less: provision for bad and doubtful debts	(294)	(194)
	1,043	758
Other debtors	2,448	769
Prepayments and accrued income	606	620
	4,097	2,147

14. CURRENT ASSET INVESTMENTS

	2023 £'000	2022 £'000
Valuation at 1 April 2022	6,557	7,262
Additions in year	1	237
Disposals in year	-	(36)
Unrealised (loss)/ gain	(609)	(906)
Movement in year	(608)	(705)
Valuation at 31 March 2023	5,949	6,557

The Association recognised a total loss of £608k (2022: £705k loss) in the Statement of Comprehensive Income in the period; consisting of an unrealised loss of £609k (2022: £906k) netted off by a realised gain of £1k (2022: £201k).

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Debt (note 18)	200	200
Rent and service charges received in advance	500	343
Other grants received in advance	10	19
Deferred capital grants (note 17)	2,953	2,992
Trade creditors	1,111	2,225
Other taxation and social security costs	254	264
Other creditors	1,567	367
Accruals and deferred income	2,07	854
	8,612	7,264

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

	2023 £'000	2022 £'000
Loans (note 18)	200	400
Deferred capital grant (note 17)	53,389	56,304
	53,589	56,704

17. DEFERRED CAPITAL GRANT

	2023 £'000	2022 £'000
As at 1 April 2022	59,296	62,288
Grant received in the year	-	-
Capital grant abated	-	-
Capital grant released	(2,954)	(2,992)
As at 31 March 2023	56,342	59,296
Amounts to be released within one year	2,953	2,992
Amounts to be released in more than one year	53,389	56,304
	56,342	59,296

18. DEBT ANALYSIS - BORROWINGS

	2023 £'000	2022 £'000
Being Loans falling due:		
within one year	200	200
after more than one year	200	400
	400	600
Based on the lender's earliest repayment date, borrowings are repayable as follows:		
Due within one year	200	200
Due in one year or more but less than two years	200	200
Due between two and five years	-	200
Due in more than five years	-	-
	400	600

There are no properties secured against the loans (2022 £nil).

Note that remaining loans of £400k are unsecured; have no interest payable on them; and are repayable in instalments until 31 March 2025.

19. PROVISIONS FOR PENSION LIABILITY - GROWTH PLAN

	2022/23 Growth Plan £'000
1 April 2022	11
Unwinding of the discount factor	-
Deficit contribution paid	(4)
Remeasurements - impact of any change in assumptions	-
Remeasurements - amendments to the contribution schedule	-
31 March 2023	7

The provision represents the net present value of the commitment to the multi-employer pension schemes in respect of past service deficits.

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.

	2023 Number	2022 Number
Number of members		
1 April 2022	81	82
Joined during the year	3	5
Left during year	-	(6)
PY Adjustment	-	-
31 March 2023	84	81

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

	2023 £'000	2022 £'000
Surplus/(Deficit) for the year	170	2,809
<u>Adjustments for non-cash items:</u>		
Depreciation and amortisation of tangible and intangible fixed assets	6,787	6,598
Amounts released from deferred capital grant	(2,954)	(2,992)
Defined benefit pension schemes	(1,744)	(1,570)
Decrease in provisions	(4)	(48)
Other reserves movements	62	-
Unwinding of discount factor on pension provision	-	-
(Gain) / Loss on disposal of other fixed assets	(203)	-
(Gain) / loss on disposal of tangible fixed assets	10	(98)
Net proceeds of disposal of shared ownership properties	(585)	(1,129)
Purchase of current asset investments	-	-
Loss on current asset investments	608	705
Interest receivable	(306)	(121)
Interest payable	209	307
Operating cash flows before movements in working capital	2,050	4,461
Movement in properties held for sale	-	1,020
Increase in trade and other debtors	(1,948)	(573)
Increase in trade and other creditors	1,386	523
Cash generated from operations	1,488	5,431

22. CAPITAL COMMITMENTS AND OTHER CONTRACTUAL OBLIGATIONS

	2023 £'000	2022 £'000
Capital expenditure approved but not contracted for in the financial statements	1,965	7,368
Capital expenditure contracted for but not provided in the financial statements	-	-

23. COMMITMENTS UNDER OPERATING LEASES

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

	2023 £'000	2022 £'000
Amounts due:		
Within one year	5	6
Between one and five years	9	5
	14	11

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 £8,354k as at 31 March 2022 and at 31 March 2023 is now £7,848k.

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

	31 March 2023 (£000s)	31 March 2022 (£000s)
Fair value of plan assets	35,598	52,077
Present value of defined benefit obligation	43,446	60,431
Surplus (deficit) in plan	(7,848)	(8,354)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(7,848)	(8,354)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	31 March 2023 (£000s)	31 March 2022 (£000s)
Defined benefit obligation at start of period	60,431	63,377
Current service cost	14	223
Expenses	52	54
Interest expense	1,662	1,346
Member contributions	176	180
Actuarial losses (gains) due to scheme experience	(450)	2,591
Actuarial (gains) losses due to changes in demographic assumptions	(133)	(1,009)
Actuarial (gains) losses due to changes in financial assumptions	(16,424)	(4,396)
Benefits paid and expenses	(1,902)	(1,935)
Defined benefit obligation at end of period	43,446	60,431

24. RETIREMENT BENEFITS – SHPS SCHEME (CONTINUED)

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

	31 March 2023 (£000s)	31 March 2022 (£000s)
Fair value of plan assets at start of period	52,077	51,839
Interest income	1,453	1,115
Experience on plan assets (excluding amounts included in interest income)- gain (loss)	(18,016)	(969)
Employer contributions	1,810	1,847
Member contributions	176	180
Benefits paid and expenses	(1,902)	(1,935)
Fair value of plan assets at end of period	35,598	52,077

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was (£16,563,000).

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

	31 March 2023 (£000s)	31 March 2022 (£000s)
Current service cost	14	223
Expenses	52	54
Net interest expense	209	231
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	275	508

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

	31 March 2023 (£000s)	31 March 2022 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain	(18,016)	(969)
Experience gains and losses arising on the plan liabilities – (loss) gain	450	(2,591)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	113	1,009
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	16,424	4,396
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(1,029)	1,845
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)	(1,029)	1,845

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

	31 March 2023 (£000s)	31 March 2022 (£000s)
Global Equity	664	9,994
Absolute Return	385	2,089
Distressed Opportunities	1077	1,864
Credit Relative Value	1344	1,731
Alternative Risk Premia	66	1,717
Fund of Hedge Funds	-	-
Emerging Markets Debt	191	1,515
Risk Sharing	2,621	1,715
Insurance-Linked Securities	899	1,214
Property	1,532	1,406
Infrastructure	4,066	3,710
Private Debt	1,584	1,335
Opportunistic Illiquid Credit	1,523	1,750
High Yield	125	449
Opportunistic Credit	2	185
Cash	257	177
Corporate Bond Fund	-	3,474
Liquid Credit	-	-
Long Lease Property	1,074	1,340
Secured Income	1,634	1,940
Liability Driven Investment	16,395	14,531
Currency Hedging	68	(204)
Net Current Assets	91	145
Total Assets	35,598	52,077

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 2023 % per annum	31 March 2022 % per annum
Discount Rate	4.88%	2.79%
Inflation (RPI)	3.20%	3.62%
Inflation (CPI)	2.74%	3.21%
Salary Growth	3.74%	4.21%
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 2023	21.0
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

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 638 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 January 2025 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 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 2023 (£s)	31 March 2022 (£s)	31 March 2021 (£s)
Present value of provision	7,089	11,120	59,233

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2023 (£s)	Period Ending 31 March 2022 (£s)
Provision at start of period	11,120	59,233
Unwinding of the discount factor (interest expense)	209	342
Deficit contribution paid	(4,051)	(14,989)
Remeasurements - impact of any change in assumptions	(189)	(256)
Remeasurements - amendments to the contribution schedule	-	(33,210)
Provision at end of period	7,089	11,120

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2023 (£s)	Period Ending 31 March 2022 (£s)
Interest expense	209	342
Remeasurements – impact of any change in assumptions	(189)	(256)
Remeasurements – amendments to the contribution schedule	-	(33,210)
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

ASSUMPTIONS

	31 March 2023 % per annum	31 March 2022 % per annum	31 March 2021 % per annum
Rate of discount	5.52	2.35	0.66

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 2023, the Board was not aware of any contingent liabilities (2022: £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 2022. As of this date the estimated employer debt for Bield was £23,979,017. It has also been notified of the estimated employer debt on withdrawal from the Growth Plan as at 30 September 2022 was £54,805 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.

27. RELATED PARTY TRANSACTIONS

(i) At the start of the year, two Board members had tenancies with Bield. One Board member was a sharing Owner with Bield before resignation in June 2022. 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 £7,974 (2022: £11,073) of rent and service

charge was receivable from these members. At the yearend there was a £597 (2022: £371) outstanding balance due from these members. No guarantees have been given or received. No expense has been recognised in the year (2022: £nil) in respect of bad debts from related parties.

(ii) Bield holds £1,077,758 (2022: £1,075,898) in trust for developments relating to owner occupiers.

28. POST BALANCE SHEET EVENT

Bield closed the Social Housing Pension Scheme (SHPS) defined benefit pension scheme on the 31st May 2023 to future accruals following consultation with remaining staff members. Staff members have now transferred to the SHPS defined contribution scheme with a fixed 6% contribution from Bield. There is no additional cost related to this and Bield will continue to contribute to the deficit as set out by actuarial triennial valuation.



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