

Company Registration No. SC059549 (Scotland)

SCOTTISH FEDERATION OF HOUSING ASSOCIATIONS LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
PAGES FOR FILING WITH REGISTRAR



SCOTTISH FEDERATION OF HOUSING ASSOCIATIONS LTD

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 8

SCOTTISH FEDERATION OF HOUSING ASSOCIATIONS LTD

COMPANY INFORMATION

Directors	J MacGilp J Mulloy J Orr D Mackie D Lappin R Brown M Wilkie-McFarlane L Wassell D Macleod H Forsyth A Linton J Convery
Secretary	S Thomas
Company number	SC059549
Registered office	39 St.Vincent Place Glasgow G1 2ER
Auditor	Wylie & Bisset (Audit) Limited Chartered Accountants 168 Bath Street Glasgow G2 4TP
Bankers	Royal Bank of Scotland 36 Saint Adrews Square Edinburgh EH2 2YB

SCOTTISH FEDERATION OF HOUSING ASSOCIATIONS LTD

BALANCE SHEET

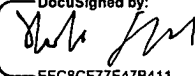
AS AT 31 MARCH 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		15,320		43,640
Current assets					
Debtors	4	499,516		530,410	
Investments	5	798,343		794,995	
Cash at bank and in hand		2,308,982		2,636,873	
		<u>3,606,841</u>		<u>3,962,278</u>	
Creditors: amounts falling due within one year	6	(2,575,755)		(3,036,382)	
Net current assets			1,031,086		925,896
Total assets less current liabilities			1,046,406		969,536
Provisions for liabilities	7		(118,253)		(998,286)
Net assets/(liabilities)			<u>928,153</u>		<u>(28,750)</u>
Capital and reserves					
Profit and loss reserves			928,153		(28,750)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime. The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

The financial statements were approved by the board of directors and authorised for issue on 24 August 2022 and are signed on its behalf by:

DocuSigned by:

 EFC8CF77E47B411...
 H Forsyth
 Director

Company Registration No. SC059549

SCOTTISH FEDERATION OF HOUSING ASSOCIATIONS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Scottish Federation of Housing Associations Ltd is a private company limited by shares incorporated in Scotland. The registered office is 149 St Vincent Street, Glasgow, G2 5NW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Scottish Federation of Housing Associations Ltd. These consolidated financial statements are available from its registered office, 39 St.Vincent Place, Glasgow, G1 2ER.

SCOTTISH FEDERATION OF HOUSING ASSOCIATIONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.2 Going concern

The Directors assess whether the use of the going concern basis is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Directors make this assessment on a regular basis and at each year end.

The Directors have reviewed the fund balance at 31 March 2022 and have approved budget and cash flow forecasts for 2022/23 and future years, and consider it appropriate for the financial statements to be drawn up on a going concern basis.

At 31 March 2022 the company had net assets of £928,153 after providing for a defined benefit scheme deficit under FRS 102 of £108,000. The board have considered a period of 12 months from the date of approval of these financial statements and are satisfied that the company can continue to operate and meet its liabilities as they fall due. The pension scheme deficit is not expected to crystallise for the foreseeable future. Accordingly, the Board consider that it is appropriate to prepare the accounts on a going concern basis.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	over the remaining life of the lease
Office equipment	20 - 33%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

SCOTTISH FEDERATION OF HOUSING ASSOCIATIONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

SCOTTISH FEDERATION OF HOUSING ASSOCIATIONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.7 Pensions

The company is a member of the SHAPS multi-employer defined benefit pension scheme, and has a share of the scheme assets and liabilities. As sufficient information about the company's share of these assets and liabilities became available from 1 April 2018, it is now possible for the company to disclose its share of the fair value of the scheme's net assets, the present value of its defined benefit liability and its net defined benefit pension liability.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Leases

Payments for the operating leases are charges to the income and expenditure account evenly over the period of the lease.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, asset life cycle, wear and tear and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Recoverability of trade receivables are considered at each period end and where management considers there to be significant doubt over the recoverability of certain individual trade receivables, a provision for bad debts is recognised, with the loss recognised in the Statement of Income and Retained Earnings. If these bad debts are subsequently recovered, the provision is derecognised.

Pension liabilities are considered by a qualified actuary. The Directors review the assumptions made by the actuary to ensure they are reasonable.

SCOTTISH FEDERATION OF HOUSING ASSOCIATIONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Tangible fixed assets

	Leasehold improvements	Office equipment	Total
	£	£	£
Cost			
At 1 April 2021	85,937	217,345	303,282
Additions	-	7,006	7,006
At 31 March 2022	85,937	224,351	310,288
Depreciation and impairment			
At 1 April 2021	60,792	198,849	259,641
Depreciation charged in the year	25,145	10,182	35,327
At 31 March 2022	85,937	209,031	294,968
Carrying amount			
At 31 March 2022	-	15,320	15,320
At 31 March 2021	25,145	18,495	43,640

4 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	463,572	447,478
Other debtors	35,944	82,932
	499,516	530,410

5 Current asset investments

	2022	As restated 2021
	£	£
Other investments	798,343	794,995

Represents investment of cash balances with a maturity date of less than one year but more than three months after the balance sheet date. The comparative figure was previously disclosed as Cash at Bank and in Hand and has been restated in the accounts for the year ended 31 March 2022.

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	27,170	27,428
Other taxation and social security	66,696	90,527
Other creditors	2,481,889	2,918,427

SCOTTISH FEDERATION OF HOUSING ASSOCIATIONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6	Creditors: amounts falling due within one year	(Continued)	
		<u>2,575,755</u>	<u>3,036,382</u>
7	Provisions for liabilities		
		2022	2021
		£	£
	Other provisions	10,253	12,286
	Retirement benefit obligations	108,000	986,000
		<u>118,253</u>	<u>998,286</u>

The Company participates in the Scottish Housing Associations' Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers.

The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the Pension Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK. The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A recovery plan has been put in place to eliminate the deficit which runs to 30 September 2022 for the majority of employers. The Scheme is classified as a "last-man standing arrangement". Therefore, the Company is potentially liable for other participating employer's obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the scheme deficit on the annuity purchase basis on withdrawal from the Scheme. For accounting purposes, two actuarial valuations for the scheme were carried out with effective dates of 31 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the Company's fair share of the Scheme's total assets to calculate the Company's deficit or surplus at the accounting period start and end dates.

SCOTTISH FEDERATION OF HOUSING ASSOCIATIONS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Claire Dalrymple, FCCA

The auditor was Wylie & Bisset (Audit) Limited.

9 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2022	2021
£	£
-	2,090
<u> </u>	<u> </u>