

SCOTTISH VETERANS RESIDENCES

**ANNUAL REPORT
and
FINANCIAL STATEMENTS**

For the year ended 31 December 2020

SCOTTISH VETERANS RESIDENCES

ANNUAL REPORT and FINANCIAL STATEMENTS

For the year ended 31 December 2020

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SCOTTISH VETERANS RESIDENCES

Governing Body

Brigadier (Retd) G Lowder MBE (Chairman)
Mr J Tweedie FSI BA (Hons) (Vice-Chairman)
Ms S Bomphray
Reverend N N Gardner MA BD
Mrs P A Shields
Lieutenant Commander L Youngson RN (appointed 11/12/20)
Squadron Leader D Morrison
Mr I Lindsay, MNWB (appointed 04/09/20)
Mr C Masson
Major R Laing
Mr Tony Jones
Mr Richard Edlmann
Mr Troy Johnson

Chief Executive

Brigadier (Retd) Martin N Nadin OBE
53 Canongate, Edinburgh, EH8 8BS
Tel No 0131-556-0091 Fax No 0131-557-8734
E-mail: ceo@svronline.org

Treasurers

Chiene + Tait LLP
61 Dublin Street
Edinburgh
EH3 6NL

Tel No 0131-558-5800

Auditor

RSM UK AUDIT LLP
Statutory Auditor
First Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Bankers

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

Investment Managers

Rathbones Investment Management Limited
Pier Head
Port of Liverpool Building
Liverpool
L3 1NW

Registration information

Financial Conduct Authority

The Scottish Housing Regulator

Recognised Scottish Charity

Registered Office

53 Canongate
Edinburgh
EH8 8BS

Solicitors

Turcan Connell
Princess Exchange
1 Earl Grey Street
Edinburgh
EH3 9EE

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

SCOTTISH VETERANS RESIDENCES

REPORT OF THE GOVERNING BODY

For the year to 31 December 2020

Scottish Veterans' Residences (SVR) Governing Body presents its Annual Report and audited Financial Statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

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

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

REVIEW OF OPERATIONS

Overview

The year has been dominated by the Covid-19 pandemic and in adapting practices and procedures to be able to continue to provide services to our Tenants and Residents. We were able to keep our Residences open throughout the year and it is pleasing to report there were no cases of Covid-19 amongst our Residents. We were able to maintain an emergency and urgent maintenance service throughout the periods of 'lockdown' for the three Residences and all our tenanted properties. Income remained stable throughout the year. Following a significant decline in the value of our investment portfolio, in line with the fall in global markets, the value of the portfolio stabilised and rallied, returning to pre-Covid-19 levels. Operating cost expenditure increased due to preventative measures employed to combat the risk of Covid-19 infection. These additional costs were substantially offset by grants from government and charitable trusts.

Covid-19 Measures

To remain open and operational throughout the pandemic required adjustments to be made to many aspects of service delivery. On site-staff density was reduced, with support staff able to work remotely with Residents and colleagues, enabled by access to MS Teams. Enhanced cleaning was undertaken throughout our Residences, which included viricidal treatment of communal areas, offices and Residents' rooms, extending meal times to allow single occupancy of dining tables, providing disposable dining equipment, and employing additional cleaning and catering staff to service those additional requirements. The very necessary adoption of these measures increased operating costs. A number of grant applications were made and we are indebted to the generosity of the UK and Scottish Governments, the Corra Foundation, Comic Relief/Homeless Link, and the Morrisons Foundation, for providing grants to offset these costs.

Occupancy Levels

The 45 Scottish Secure Tenancies have remained almost continuously occupied throughout the year. When vacancies have occurred, there have been multiple applications. Tenancy turnover remains low with only one or two properties becoming vacant annually. This reflects the excellent value for money of our tenancies and the reactive and planned maintenance provided, which despite Covid-19 restrictions, we have been able to exceed the standard set by the Scottish Housing Regulator for urgent repairs.

SCOTTISH VETERANS RESIDENCES

REPORT OF THE GOVERNING BODY (continued)

For the year to 31 December 2020

Occupancy of the Residences was changeable. For several months total void levels were higher than the 10% budgetary and sector appropriate target. Overall, we provided housing support services for 203 veterans during 2020; a decrease from the 240 we supported in 2019. It is assessed this was due principally to the challenges of travel during the pandemic and that Local Authorities allocated additional funding to provide accommodation for the homeless. Our Voids & Allocations Officers continue to contact large numbers of individuals and agencies on a weekly basis to ensure they are aware of the vacancies and services offered by the Charity. The engagement plan that was developed in 2019, to meet during 2020 with the 18 Local Authorities that over the previous 10 years, have had the highest numbers of homeless Veterans, was another casualty of Covid-19 restrictions. It is hoped to refresh and execute the plan as conditions allow. We have continued to receive referrals and contacts as a Referral Partner of the Veterans Gateway.

Property Development and Maintenance.

It was a challenging year in terms of infrastructure works and repairs. In compliance with Covid-19 restrictions, all non-essential works were stopped in occupied properties. The primary focus in 2020 therefore was on keeping our Residences and tenanted properties safe during the pandemic. Considerable efforts were made throughout the year. We ensured all SVR properties remained compliant with legislative requirements such as gas, electrical, and fire safety and that they remained at or above the Scottish Housing Quality Standard. We owe thanks to our principal contractor, ECG, for assistance on these fronts despite finding themselves with a greatly reduced workforce due to furlough. Further appreciation goes to Graham Pest Control, for carrying out regular viricidal treatments of our Residences as part of our risk reduction and infection prevention and control measures.

We were able to carry out some condition surveys, fire alarm upgrades at the Gilmerton tenancies, and window repairs works at Whitefoord House during the early part of the year before restrictions came into force. The latter works were part-funded through the generosity of the Queen Mary's Roehampton Trust. During a brief period in the Summer when restrictions were relaxed, we were able to carry out some non-essential maintenance. Most of the works planned for 2020 however, have had to be deferred into 2021. These works will continue as soon as circumstances allow. This includes a number of bathroom and/or kitchen refurbishments in some of our tenancies.

We are working on the conversion of a four-bedroom property on our site at Broughty Ferry into three self-contained one-bedroomed flats, which will be more useful for homeless veterans, the majority of whom are single. Progress has been significantly delayed by the restrictions, particularly the Building Control process.

Resident Activities

We are indebted to the generosity of the Armed Forces Covenant Fund Trust (AFCFT) for providing a grant to establish a new staff post. The Join In Live Well Officer (JILWO) was established to encourage and coordinate activities that benefit the physical and psychological wellbeing of our Residents. As Covid-19 restrictions tightened, the JILWO's ability to conduct group activities was limited, with activity options having to be predominantly undertaken indoors, and individually. There are clear signs however, that this role is proving to be very effective in encouraging Veterans to undertake activities that enrich their lives, build their confidence, and contribute to their physical and psychological wellbeing. We and the Residents, are looking forward to the lifting of restrictions to enable a much fuller range of individual and group activities to be undertaken during 2021.

Residents in our Rosendael and Whitefoord House Residences embarked on a series of individual activity challenges to improve their fitness. Equipment and prizes were funded through generous grants provided by the AFCFT and the Scottish Veterans Fund. Our Rosendael Residence also benefited from a grant made by the Northwood Charitable Trust, which was a generous contribution towards the cost of gym equipment.

When possible our Residence Art Clubs have met, helping the Residents develop and exploit their 'inner artist'. We also assisted the woodworking section of the Bellrock Close Residence Art Club relocate to a new location in Glasgow as it had outgrown its former premises.

SCOTTISH VETERANS RESIDENCES

REPORT OF THE GOVERNING BODY (continued)

For the year to 31 December 2020

Quality

Our Residences continue to provide high quality support. Whitefoord House and Rosendael remain graded by the Care Inspectorate as VERY GOOD in 3 areas and GOOD in 2 areas. Bellrock Close also received a VERY GOOD Grade and 2 GOOD Grades. We have recognised that since our last inspections, Health and Social Care standards have been updated and operate within a new quality framework to support the Care Inspectorate's scrutiny of regulated services.

GOVERNANCE

Organisation

The new governance structures put in place in the year continue to bed in. Responsibility and accountability for SVR is vested in its Governing Body. Its membership includes ex-officio members from the three Armed Services and the Merchant Navy Welfare Board to form a Governing Body of 14 Members¹. The Governing Body has delegated authority to 3 Sub-Committees for the governance of specific business areas:

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

Adoption of this governance architecture, the programmed meeting cycle and improved business processes continues to allow the Governing Body to focus on key strategic issues, oversee and apply judgement more effectively, and with greater assurance to the entirety of the Charity's activity, and provide the necessary assurances to regulators and those we support.

The Governing Body submitted its second Annual Assurance Statement (AAS) to the SHR. This confirmed compliance with caveats to the SHR's Governance Standards contained within its regulatory framework. The AAS was supported by an action plan setting out the 2 actions required to achieve full compliance. The two actions represent a significant reduction from the previous year's Statement, which acknowledged 15 actions required.

Governing Body Members

The Governing Body recognises that four of its Members have served for over 10 years. It is content with this. All four Members wish to remain actively supporting the Charity; all fulfil their roles voluntarily with none being remunerated as Members of the Governing Body; all have competencies and experience that the Charity finds extremely useful and could not easily be replaced; and all four continue to add significant value through their membership. As noted above, the addition of a new Member provides additional experience and scope for alternative views.

Reserves

Throughout the year, the Investment, Remuneration and Finance Committee (IRFC) paid particular attention to the Charity's reserves held within its investment portfolio. In accordance with regulation, our investment manager made the required notification as its value declined. This triggered a consultation amongst members of the IRFC, which resulted in the decision to maintain the investment profile in the expectation that markets would stabilise and recover. This expectation materialised with the portfolio's value returning to its pre-pandemic level by the year's end.

SVR's reserves will continue to be invested within a risk spectrum recommended by the Investment, Remuneration and Finance Committee and agreed by the Governing Body. The latest review examined the nature of income and expenditure streams and the need to ensure the availability of reserves to meet future demands. The Governing Body concluded that the level of reserves is appropriate to support the current level of work undertaken by the organisation and that it should retain sufficient financial reserve for a twelve-month period, in the event of a catastrophic reduction in funding. To this end it has set aside:

¹ A 14th Member was selected and appointed to the Governing Body on 5 March 2021, following an internal review of the breadth and depth of the Governing Body's expertise and experience on 11 December 2020. The 14th Member brings prior Housing Association experience to the Governing Body.

SCOTTISH VETERANS RESIDENCES

REPORT OF THE GOVERNING BODY (continued)

For the year to 31 December 2020

- £5m as a contingency should significant structural repairs or maintenance be required to our aged listed buildings of Rosendael and Whitefoord House, or for a significant increase in demand to accommodate Veterans;
- £1.7m to provide 12 months staff salaries; and
- £2m to provide 12 months operating costs.

Internal Audit

SVR had planned to tender for and commence an Internal Audit service during 2020. The tender process was delayed until the latter half of 2020. Following receipt of 4 tenders, TIAA was selected to provide the service. An internal audit plan for 2021 has been agreed together with a 3-year programme. Fifteen days of internal audit activity will be delivered annually.

KEY PERFORMANCE INDICATORS

SVR reports on its performance against a series of indicators defined in the Scottish Social Housing Charter. During 2020 we had begun a repeat of face to face interviews with our Residents and Tenants, which was conducted by an independent provider. Covid-19 measures prevented the completion of the interviews. In accordance with the Scottish Housing Regulator's guidance², face to face Tenant satisfaction surveys will be re-activated as soon as Covid-19 restrictions allow.

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

Principal Risks & Uncertainties

SVR recognises the importance of effective identification, evaluation and management of all key strategic and operational risks, and this is a requirement set out by the Scottish Housing Regulator's Regulatory Standards.

Risk Management covers the whole spectrum of risks and not just those associated with finance, health and safety, business continuity and insurance. It also includes risks associated with service provision, effectiveness and continuity, public image (reputation), compliance with legislation and regulation and environment.

The principal risks facing the Charity are:

- Government policy
- Welfare reform
- Business continuity and disaster recovery
- Development and growth
- Financial risk management

² The Scottish Housing Regulator requires Registered Social Landlords to conduct tenant surveys at least every 3 years. SVR's policy is to conduct annual surveys.

SCOTTISH VETERANS RESIDENCES

REPORT OF THE GOVERNING BODY (continued)

For the year to 31 December 2020

Principal Risks & Uncertainties (continued)

The Coronavirus Pandemic poses potential significant risks to SVR, principally financial, maintenance of service delivery and the health of residents and employees. The Governing Body considers these risks are adequately mitigated through the following circumstances and measures:

- The significant majority of our income is being maintained through payment of Universal Credit, consequently we are able to maintain cash flow;
- We are able to maintain most aspects of service provision through adjustments to practise and adherence to physical distancing; and
- Residents and employees are following the Government's advice regarding preventative measures, we use PPE appropriately, and have due regard to signs and symptoms of the disease and react accordingly.

Governance

The Governing Body are listed on page 1. The Governing Body meet quarterly where they are advised by the Chief Executive and Treasurers.

The Chief Executive is in charge of the day to day management of SVR, with the support of the management team and the Treasurers. He advises the Governing Body on strategy. The Governing Body are ultimately responsible for decision making. The financial systems have an additional level of assurance through the accounting support from the Treasurers.

Statement of the Governing Body's Responsibilities

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

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

The Governing Body is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Charity.

The Governing Body is also responsible for taking adequate steps to safeguard the assets of the Charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

Internal Financial Controls

The Governing Body is responsible for the Charity's system of internal financial controls.

The approach adopted by the Governing Body to provide effective financial controls can be summarised as follows:

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

SCOTTISH VETERANS RESIDENCES

REPORT OF THE GOVERNING BODY (continued)

For the year to 31 December 2020

Internal Financial Controls (continued)

- an additional level of assurance is provided by the provision of accounting support from the Treasurers.

The Governing Body confirms that it has reviewed the effectiveness of the Charity's system of internal financial controls as it operated during the year under review. Such a system can provide only reasonable assurance against material misstatement or loss.

Governing Body

Members of the Governing Body who have held office during the year and to date are shown on page 1. In accordance with the Charity's Rules, Reverend N N Gardner retires in rotation at the Annual General Meeting and offers himself for re-election.

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are members of the Governing Body at the time the report is approved:

- So far as the Governing Body members are aware there is no relevant information of which the Charity's auditor is unaware, and
- He/she has taken all the steps that he/she ought to have taken as a member of the Governing Body in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of the information.

Auditor

A recommendation will be proposed at the Annual General Meeting to confirm the re-appointment of RSM UK Audit LLP as the Charity's Auditor for the year commencing 1 January 2021 and to authorise the Governing Body to fix their remuneration.

Signed on behalf of the Governing Body

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

3 May 2021

SCOTTISH VETERANS RESIDENCES

CHAIRMAN'S STATEMENT

For the year to 31 December 2020

Chairman's Report

2020 was one of the most demanding and challenging years in Scottish Veterans' Residences' (SVR) history. The impact of the Covid-19 pandemic grew during the first quarter of the year resulting in the UK and Scottish Governments placing restrictions on travel and contact with others, which led to National lockdowns being imposed on 23rd March 2020. Although some measures were relaxed during Spring and Summer, Autumn brought variants of the virus and the second wave of infections with further measures and restrictions being imposed in response.

Our Residences have remained open throughout the pandemic, albeit with some necessary adjustments to service delivery. It is with considerable pride that I am able to report that none of our Residents have become ill with Covid-19. Although I am wary of tempting fate in pointing this out. This was due in part to the enhanced cleaning regimes and other preventative measures that were employed within the Residences. I sense however, this has been principally due to the dedication, innovation and commitment of our staff, and the leadership of the Residence Managers. Our Residents themselves have also played their part in complying with the measures and service changes. On behalf of the Governing Body, I want publicly to recognise and congratulate them all for their efforts and endeavours, throughout the pandemic. I am also hugely grateful to the Members of the Governing Body who give lots of their valuable time, experience and knowledge to supporting the Executive, Managers, Staff and Residents.

An impact of the pandemic has been to have to mark time on a number of our projects and scheduled maintenance tasks. It is through these that we seek to enhance service delivery and continue to act as a strong and supportive partner within the social housing and Veterans' sectors. As we emerge from the pandemic, we will examine which of these we can quickly reactivate for the benefit of our Residents and Tenants.

This report unequivocally confirms that; despite the significant challenges SVR has successfully faced during 2020, it remains in a very strong position structurally, organisationally and financially. We will continue, in accordance with our strategic objectives to enhance service delivery, the digitalisation of the organisation, and the development of our plans to comply with net-carbon zero and sustainability targets.

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

3 May 2021

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

Opinion

We have audited the financial statements of Scottish Veterans Residences (the 'Charity') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Changes in Capital and Reserves, the Statement of Financial Position, 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 Charity's affairs as at 31 December 2020 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the Governing Body 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 Governing Body 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCOTTISH VETERANS RESIDENCES (continued)

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 Charity has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Charity; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Governing Body

As explained more fully in the Governing Body's responsibilities statement set out on page 6, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body 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 Governing Body is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intends to liquidate the Charity 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCOTTISH VETERANS RESIDENCES (continued)

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 frameworks that the Charity operates in and how the Charity is complying with the legal and regulatory frameworks;
- 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.

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, Housing SORP 2018, the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019 and the Housing (Scotland) Act 2010. 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), Public Services Reform (Scotland) Act 2010 and the Office of the Scottish Charity Regulator (OSCR). We performed audit procedures to inquire of management and those charged with governance whether the Charity is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

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.

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 Charity'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 Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



RSM UK Audit LLP
Statutory Auditor
First Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

06 May 2021

REPORT OF THE AUDITOR TO THE GOVERNING BODY

ON CORPORATE GOVERNANCE MATTERS

For the year ended 31 December 2020

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 6 and 7 concerning the Charity's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard of the requirements of corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council through enquiry of certain members of the Governing Body and officers of the Charity and examination of relevant documents. The Bulletin does not require us to review the effectiveness of the Charity's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on pages 6 and 7 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.



**RSM UK AUDIT LLP
Statutory Auditor
First Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG**

06 May 2021

SCOTTISH VETERANS RESIDENCES**STATEMENT OF COMPREHENSIVE INCOME****For the year to 31 December 2020**

	Note	2020	2019
		£	£
Turnover	2	4,189,779	3,845,784
Operating expenditure	2	(4,305,356)	(3,832,968)
Operating (deficit)/surplus		(115,577)	12,816
Interest receivable		808	1,812
Investment Income		142,766	113,053
Donation of net assets on merger with SVR charity	19	-	4,997,729
Surplus before tax	5	27,997	5,125,410
Taxation	8	-	-
Surplus for the year		27,997	5,125,410
Gain/(Loss) on disposal of investments		(135,384)	45,657
Unrealised profit on investments	9	563,324	438,957
Total comprehensive income for the year		455,937	5,610,024
		=====	=====

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

The notes on pages 17 to 29 form part of these financial statements.

SCOTTISH VETERANS RESIDENCES**STATEMENT OF CHANGES IN CAPITAL AND RESERVES****As at 31 December 2020**

	Share Capital	Revenue Reserve	Restricted Funds	Total Funds
	£	£	£	£
Balance at 1 January 2020	12	17,321,996	79,240	17,401,248
Surplus from statement of total Comprehensive income	-	353,163	102,774	455,937
Shares issued/(cancelled)	-	-	-	-
Balance at 31 December 2020	12	17,675,159	182,014	17,857,185
	=====	=====	=====	=====
Balance at 1 January 2019	9	11,791,212	-	11,791,221
Surplus from statement of total Comprehensive income	-	5,530,784	79,240	5,610,024
Shares issued/(cancelled)	3	-	-	3
Balance at 31 December 2019	12	17,321,996	79,240	17,401,248
	=====	=====	=====	=====

The notes on pages 17 to 29 form part of these financial statements.

SCOTTISH VETERANS RESIDENCES**STATEMENT OF FINANCIAL POSITION****As at 31 December 2020**

	Note	£	2020 £	£	2019 £
Fixed assets					
Investments	9	8,264,159		7,735,233	
Housing properties	10	13,213,127		13,495,233	
Other fixed assets	11	309,827		276,490	
			21,787,113		21,506,956
Current assets					
Trade and other debtors	12	160,149		286,701	
Cash and cash equivalents	13	1,040,696		795,542	
			1,200,845		1,082,243
Creditors: amounts falling due within one year	14	421,820		393,391	
Net current assets			779,025		688,852
Total assets less current liabilities			22,566,138		22,195,808
Creditors: amounts falling due after more than one year	14		4,708,953		4,794,560
Net assets			17,857,185		17,401,248
Capital and reserves					
Share capital	15		12		12
Revenue reserves	16	17,675,159		17,321,996	
Restricted reserves	17	182,014		79,240	
			17,857,185		17,401,248

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

DocuSigned by:
 EC1A20A6C5A54CF
 Brigadier (Retd) G Lowder MBE

Chairman

DocuSigned by:
 15F68324DF9D476
 Mr J Tweedie FSI BA (Hons)

Vice Chairman

DocuSigned by:
 18EB52D43F004C7
 Brigadier (Retd) M N Nadin OBE

Chief Executive

DocuSigned by:
 9E9.../B4A891A48F...
 Susan Duthie

Company Secretary

3 May 2021

The notes on pages 17 to 29 form part of these financial statements.

SCOTTISH VETERANS RESIDENCES**STATEMENT of CASHFLOWS****For the year ended 31 December 2020**

	2020	2019
	£	£
Cash flows from operating activities		
Surplus for the year	27,997	5,125,410
Interest received	(808)	(1,812)
Investment income	(142,766)	(113,053)
Donation of net assets on merger with SVR charity	-	(4,997,729)
Government grants utilised in year	(85,607)	(85,608)
Depreciation of tangible fixed assets	329,623	298,559
Movement in share capital	-	3
Decrease in trade and other debtors	126,552	57,055
Increase in trade and other creditors	28,429	7,904
	-----	-----
Net cash flow from operating activities	283,420	290,729
	-----	-----
Net cash generated from operating activities	283,420	290,729
	-----	-----
Cash flows from investing activities		
Purchase of tangible fixed assets	(80,854)	(269,711)
Purchase of investments	(1,223,127)	(609,696)
Proceeds from sale of investments	1,135,363	456,928
(Increase)/decrease in funds held by investment managers	(13,222)	(294,378)
Interest received	808	1,812
Investment income	142,766	113,053
Transfer on merger with SVR charity	-	428,411
	-----	-----
Net cash flow from investing activities	(38,266)	(173,581)
	-----	-----
Net change in cash and cash equivalents in the year	245,154	117,148
Cash and cash equivalents at the beginning of the year	795,542	678,394
	-----	-----
Cash and cash equivalents at the end of the year	1,040,696	795,542
	=====	=====

Reconciliation of cash and cash equivalents

	2019 Cash flows		2020
	£	£	£
Cash and cash equivalents	795,542	245,154	1,040,696
	=====	=====	=====

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

The notes on pages 17 to 29 form part of these financial statements.

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS****For the year to 31 December 2020**

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

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

Legal Status

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

1. Accounting policies

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

Housing properties

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

Useful economic lives for identified components are as follows:

Component	Useful economic life
Structure	75 years
Roof	50 years
Windows and doors	25 years
Bathrooms	25-30 years
Ensuites	30 years
Kitchens	20-30 years
Boilers	20 years
Lifts	15-20 years
McClaggan Suite	20 years
Electrical system	30 years
Pipework & radiators	15-20 years
Land is not depreciated	

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

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2020****1. Accounting policies continued**

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

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

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

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

- (h) Investments have been included at fair value being their quoted market price, at the balance sheet date. Realised gains and losses are recognised in the Statement of Comprehensive Income in the year in which they arise. Unrealised gains and losses are also recognised in the income and expenditure account in the year in which they arise.
- (i) The Governing Body has reviewed detailed budgets and cashflow forecasts up to 31 December 2022. This has included consideration of any potential impact of COVID-19. From a financial perspective COVID-19 is not expected to significantly impact the Charity, as a significant majority of the Charity's income is being maintained through payment of Universal Credit and consequently cashflow has not been, and is not expected to be, significantly adversely affected. The Charity has a healthy cash position and the investments are readily available to convert to cash if required and thus the Governing Body is satisfied that there are sufficient resources in place to continue operating for the foreseeable future which is defined as at least 12 months from the date of signing the financial statements. The Governing Body therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.
- (j) The Charity has basic financial instruments comprising short term debtors, cash and cash equivalents and creditors. These assets and liabilities are initially recorded at cost and in respect of other assets and liabilities at the amount expected to be received or paid.
- (k) In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.
- (l) The Governing Body members are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied in apportioning the cost of housing properties between constituent components and in determining the depreciation rates which have been deemed to be appropriate for the class of asset or asset component and in determining the appropriate level of bad debt provision for rental arrears.

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2020****2. Particulars of turnover, operating costs and operating surplus/(deficit)**

2020	Turnover	Operating Costs	Operating surplus or (deficit) 2020
	£	£	£
Affordable letting activities (note 3)	3,791,650	3,994,952	(203,302)
Other activities (note 4)	398,129	310,404	87,725
	-----	-----	-----
Total	4,189,779	4,305,356	(115,577)
	=====	=====	=====
2019	Turnover	Operating Costs	Operating surplus or (deficit) 2019
	£	£	£
Affordable letting activities (note 3)	3,636,980	3,660,883	(23,903)
Other activities (note 4)	208,804	172,085	36,719
	-----	-----	-----
Total	3,845,784	3,832,968	12,816
	=====	=====	=====

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

2020	General Needs Social Housing £	Supported Housing Social Accomm- odation £	2020 Total £
Turnover			
Rent receivable net of service charges	202,766	3,963,007	4,165,773
Service charges	22,428	-	22,428
	-----	-----	-----
Gross income from rents and service charges	225,194	3,963,007	4,188,201
Less: Voids	(8,985)	(491,716)	(500,701)
	-----	-----	-----
Net income from rents and service charges	216,209	3,471,291	3,687,500
Add: Donations	-	-	-
Grants released from deferred income	8,841	76,766	85,607
Other revenue grants	-	18,543	18,543
	-----	-----	-----
Total turnover from social letting activities	225,050	3,566,600	3,791,650
	-----	-----	-----
Management and maintenance administration costs	93,711	963,171	1,056,882
Services costs	27,955	2,187,802	2,215,757
Planned and cyclical maintenance including major repair costs	29,736	218,093	247,829
Reactive maintenance costs	18,064	138,943	157,007
Bad debts - rents and service charges	(544)	30,702	30,158
Depreciation of affordable housing properties	82,751	204,568	287,319
	-----	-----	-----
Operating costs for affordable letting activities	251,673	3,743,279	3,994,952
	-----	-----	-----
Operating (deficit)/ surplus for affordable letting activities	(26,623)	(176,679)	(203,302)
	=====	=====	=====

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

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

2019	General Needs Social Housing £	Supported Housing Social Accomm- odation £	2019 Total £
Turnover			
Rent receivable net of service charges	206,671	3,783,289	3,989,960
Service charges	22,694	-	22,694
	-----	-----	-----
Gross income from rents and service charges	229,365	3,783,289	4,012,654
Less: Voids	(12,200)	(464,257)	(476,457)
	-----	-----	-----
Net income from rents and service charges	217,165	3,319,032	3,536,197
Add: Donations			
Grants released from deferred income	8,841	76,766	85,607
Other revenue grants	-	15,176	15,176
	-----	-----	-----
Total turnover from social letting activities	226,006	3,410,974	3,636,980
	-----	-----	-----
Management and maintenance administration costs	82,214	825,891	908,105
Services costs	34,655	1,958,438	1,993,093
Planned and cyclical maintenance including major repair costs	41,341	264,370	305,711
Reactive maintenance costs	25,614	111,711	137,325
Bad debts - rents and service charges	(708)	30,038	29,330
Depreciation of affordable housing properties	82,752	204,567	287,319
	-----	-----	-----
Operating costs for affordable letting activities	265,868	3,395,015	3,660,883
	-----	-----	-----
Operating (deficit)/ surplus for affordable letting activities	(39,862)	15,959	(23,903)
	=====	=====	=====

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2020****4. Particulars of turnover, operating costs and operating surplus or (deficit) from other activities**

2020	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	Total turnover £	Operating costs - bad debts £	Other operating costs £	Operating surplus or (deficit) 2020 £
Support activities	-	-	106,600	-	106,600	-	188,783	(82,183)
Other activities	-	-	-	291,529	291,529	-	121,621	169,908
Total from other activities	-	-	106,600	291,529	398,129	-	310,404	87,725

2019	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	Total turnover £	Operating costs - bad debts £	Other operating costs £	Operating surplus or (deficit) 2019 £
Support activities	-	-	106,600	-	106,600	-	172,085	(65,485)
Other activities	-	-	-	102,204	102,204	-	-	102,204
Total from other activities	-	-	106,600	102,204	208,804	-	172,085	36,719

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

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2020**

5. Surplus/(deficit) on ordinary activities before taxation	2020	2019
	£	£
Surplus/(deficit) on ordinary activities before taxation is stated after:		
Depreciation	329,623	298,559
Auditor's remuneration for audit services (including VAT)	14,220	13,680
	=====	=====

6. Directors' emoluments and interests

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

	2020	2019
	£	£
Emoluments of the Chief Executive (excluding employer's national insurance and pension contributions)	76,875	67,650
	=====	=====
Pension contributions of the Chief Executive	-	-
	=====	=====
Total	76,875	67,650
	=====	=====

There were no other directors whose emoluments, excluding pension contributions, were above £60,000 for the year (2019: £Nil).

No expenses were payable to members of the Governing Body for out of pocket expenses (2019: £Nil).

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

	No.	No.
More than £60,000 but not more than £70,000	-	1
More than £70,000 but not more than £80,000	1	-
	=====	=====

7. Staff costs/employees

	2020	2019
	£	£
Staff costs during the year:		
Salaries and wages	1,682,030	1,478,670
Social security costs	142,816	124,902
Other pension costs	123,830	107,466
Agency staff costs	27,964	41,208
	-----	-----
	1,976,640	1,752,246
	=====	=====

	No.	No.
The average monthly number of full time equivalent persons (including key management personnel)		
Managers	11	11
Other	57	52
	-----	-----
	68	63
	=====	=====

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2020****7. Staff costs/employees (continued)**

The Charity operates a defined contribution pension scheme for certain management staff. The assets of the scheme are held separately from those of the Charity in an independently administered fund. There was £11,006 of outstanding pension contributions at the year end (2019: £Nil).

Key management personnel are considered to be the Chief Executive, Martin Nadin and the Deputy Chief Executive, George Corbett, whose total remuneration for 2020 was £131,740 (2019: £122,277) including pension contributions of £14,963 (2019: £14,755).

8. Taxation

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

9. Investments

	2020	2019
	£	£
Quoted Investments	7,775,421	7,259,717
Cash held as part of portfolio	488,738	475,516
	-----	-----
	8,264,159	7,735,233
	=====	=====
Fair value		
Opening balance at 1 January 2020	7,259,717	2,053,016
Additions	1,223,127	609,696
Donation of net assets on merger with SVR charity (see note 19)	-	4,569,318
Disposals at market value	(1,270,747)	(411,270)
Change in net unrealised gains/(losses)	563,324	438,957
	-----	-----
Fair value at 31 December 2020	7,775,421	7,259,717
	=====	=====

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2020**

10. Tangible fixed assets – Housing Properties	2020	2019
	Total	Total
	£	£
Property rehabilitation and development		
Cost		
At 1 January 2020	17,296,313	17,296,313
Expenditure during the year	5,213	-
Disposal	-	-
	-----	-----
Cost at 31 December 2020	17,301,526	17,296,313
	=====	=====
Depreciation		
At 1 January 2020	3,801,080	3,513,760
Charge for year	287,319	287,320
Depreciation on disposals	-	-
	-----	-----
At 31 December 2020	4,088,399	3,801,080
	=====	=====
Net depreciated cost	13,213,127	13,495,233
	=====	=====
Net book value at 31 December 2020	13,213,127	13,495,233
	=====	=====
Net book value at 31 December 2019	13,495,233	13,495,233
	=====	=====

Included in the cost of fixed assets is Land of £127,500 that is not depreciated (2019: £127,500)

	Units in	
	Management	
	2020	2019
	No.	No.
The number of units of accommodation in management were as follows:		
General Needs Housing	45	46
Supported Housing Accommodation	159	159
	-----	-----
	204	205
	=====	=====

Total major repairs costs to existing properties during the year were £27,511 (2019: £25,005) of which £5,213 (2019: £Nil) was capitalised.

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2020**

11. Tangible fixed assets - Other	Motor Vehicle	Equipment	Garden Room	2020 Total	2019 Total
	£	£	£	£	£
Cost					
At 1 January 2020	5,500	789,909	8,985	804,394	584,474
Disposals	-	-	-	-	(49,791)
Additions	-	75,641	-	75,641	269,711
	-----	-----	-----	-----	-----
Cost at 31 December 2020	5,000	865,550	8,985	880,035	804,394
	=====	=====	=====	=====	=====
Depreciation					
At 1 January 2020	5,500	520,054	2,350	527,904	566,456
Depreciation on disposals	-	-	-	-	(49,791)
Charge for year	-	41,405	899	42,304	11,239
	-----	-----	-----	-----	-----
At 31 December 2020	5,000	561,459	3,249	570,208	527,904
	=====	=====	=====	=====	=====
Net book value at 31 December 2020	-	304,091	5,736	309,827	276,490
	=====	=====	=====	=====	=====
Net book value at 31 December 2019	-	269,855	6,635		
	=====	=====	=====		
12. Debtors					
				2020	2019
				£	£
Rental arrears				183,450	277,294
Doubtful debt provision				(42,581)	(19,632)
				-----	-----
Sundry debtors and prepayments				140,869	257,662
				19,280	29,039
				-----	-----
				160,149	286,701
				=====	=====
13. Cash and cash equivalents					
			At		At 31
			1 January	Movement	December
			2020	in year	2020
			£	£	£
Cash at bank and in hand			795,542	245,154	1,040,696
			=====	=====	=====

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2020**

14. Creditors	2020	2019
	£	£
Amounts falling due within one year:		
Rent prepaid	83,978	44,972
Trade creditors	121,596	104,746
Accruals	72,030	47,820
Sundry creditors	20,457	75,429
Other taxes and social security	38,152	34,817
Deferred Housing Association Grant	85,607	85,607
	-----	-----
	421,820	393,391
	=====	=====
Amounts falling due after one year:		
Deferred Housing Association Grant	4,708,953	4,794,560
	=====	=====
	2020	2019
	£	£
Deferred Housing Association Grant		
Due within one year	85,607	85,607
Due between one and two years	85,607	85,607
Due between three and five years	256,821	256,821
Due after 5 years	4,366,525	4,452,132
	-----	-----
	4,794,560	4,880,167
Less: included in current liabilities above	(85,607)	(85,607)
	-----	-----
	4,708,953	4,794,560
	=====	=====
15. Share capital	2020	2019
	£	£
Shares of £1 each issued and fully paid:		
At 1 January	12	9
Issued/(Cancelled)	-	3
	-----	-----
At 31 December	12	12
	=====	=====
The shares carry no rights to interest or dividend and are neither withdrawable nor transferable.		
16. Revenue reserves	2020	2019
	£	£
Balance at 1 January	17,321,996	11,791,212
Donation of net assets on merger with SVR charity (see note 19)	-	4,877,312
Surplus/(deficit) for the year	353,163	653,472
	-----	-----
Balance at 31 December	17,675,159	17,321,996
	=====	=====

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2020**

17. Restricted reserves	2020	2019
	£	£
Balance at 1 January	79,240	-
Donation of net assets on merger with SVR charity (see note 19)	-	120,417
Surplus/(deficit) for the year	102,774	(41,177)
	-----	-----
	182,014	79,240
	=====	=====

	Balance at 1 January 2020	Incoming Resources	Outgoing Resources	Balance at 31 December 2020
	£	£	£	£
Healthy Lives Officer Post	-	33,750	(13,930)	19,820
Glasgow Fund	8,863	500	(195)	9,168
Whitefoord Other	5,204	27,032	(15,990)	16,246
Rosendael Fund	39,050	59,221	(779)	97,492
Family Support Fund	295	-	-	295
Art Clubs Fund	21,533	-	(18,111)	3,422
Cycling Scotland	4,295	-	(3,598)	697
Wellbeing Fund	-	120,857	(85,983)	34,874
	-----	-----	-----	-----
	79,240	241,360	(138,586)	182,014
	=====	=====	=====	=====

Healthy Lives Officers Post

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

Glasgow Fund

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

Whitefoord Other

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

Rosendael Fund

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

Family Support Fund

The purpose of the fund is to hold monies which were donated to be used for individuals needing extra funds to keep in touch with their children.

Art Clubs Fund

This is donations to fund the Art Clubs at the three homes.

Cycling Scotland

This is a donation towards funding cycling equipment for the homes.

Wellbeing Fund

The Wellbeing Fund was set up for donations received to cover additional costs due to the COVID pandemic to ensure the wellbeing of residents.

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2020**

18. Financial instruments	2020	2019
	£	£
Financial assets		
Financial assets measured at amortised costs	160,149	268,983
Financial assets measured at fair value	8,264,159	7,735,233
	-----	-----
Balance at 31 December	8,424,308	8,004,216
	=====	=====
Financial liabilities		
Financial liabilities measured at amortised costs	298,061	227,995
	-----	-----
Balance at 31 December	298,061	227,995
	=====	=====

Financial assets measured at amortised cost comprise rental arrears, sundry debtors and amount due from associated charity.

Financial assets measured at fair value comprise investments.

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

19. Associated charity and related parties

On 1 July 2019 the associated charity Scottish Veterans' Residences and Scottish Veterans Housing Association merged with the former charity transferring all its assets and liabilities to the housing association amounting to £4,997,729 as detailed below at £nil consideration. There were no specific conditions relating to the transfer and there are no guarantees. Scottish Veterans Housing Association then changed its name from the 1st of July 2019 to Scottish Veterans Residences.

During the year a grant of £nil (2019: £9,921) was received from the charity of which £nil (2019: £Nil) related to development and similar work and £nil (2019: £9,921) for other purposes. During the year a recharge of staff costs was made to Scottish Veterans Residences of £nil (2019: £22,252).

No tenants are members of the Governing Body.

The breakdown of the amounts transferred to the housing association from the charity in the previous year are detailed below. No fair value adjustment was deemed to be required.

	Book value being
	Fair value
	£
Investments	4,569,318
Bank	73,519
Cash held by Investment Managers	349,286
Debtors	8,336
Creditors	(930)
Accruals	(1,800)

	4,997,729
	=====
Unrestricted reserves	4,884,812
Restricted reserves	112,917

	4,997,729
	=====