

**SCOTTISH VETERANS RESIDENCES**

**ANNUAL REPORT  
and  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2023**

**SCOTTISH VETERANS RESIDENCES**

**ANNUAL REPORT and FINANCIAL STATEMENTS**

**For the year ended 31 December 2023**

<b>Contents</b>	<b>Page</b>
Reference and administration	2
Report of the Governing Body	3 – 7
Chairman’s statement	8
Independent auditor’s report	9 - 11
Report of the auditor to the Governing Body on corporate governance matters	12
Statement of comprehensive income	13
Statement of changes in capital and reserves	14
Statement of financial position	15
Statement of cash flows	16
Notes to the financial statements	17 - 29

## SCOTTISH VETERANS RESIDENCES

### Members of the Governing Body

Brigadier (Retired) George Lowder MBE (Chairman until 6 September 2023)  
Mr Jonathan Tweedie FSI BA (Hons) (Chairman from 6 September 2023)  
Lieutenant Ray Gidney RN (Resigned 1 June 2023)  
Lieutenant Andrew Smart RN (Appointed 8 December 2023)  
Major Christian Taylor (Resigned 23 July 2023)  
Major Surya Rai (Appointed 24 July 2023)  
Squadron Leader Derek Morrison (Resigned 8 December 2023)  
Flight Lieutenant Ross McElhinney (Appointed 8 December 2023)  
Captain Andrew Cassels MNWB  
Ms Sue Bomphray  
Mr Richard Edlmann  
Reverend Neil Gardner MA BD (Resigned 24 June 2023)  
Group Captain (Retired) Teresa Griffiths CBE ARRC (Appointed 8 December 2023)  
Mr Troy Johnson  
Mr Tony Jones KC  
Mr Clive Masson  
Ms Isla Tabberer (Resigned 8 December 2023)  
Mr Sandy Telfer  
Mr Rab Wallace (Appointed 24 May 2023)

### Chief Executive and Company Secretary

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

#### Treasurer

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

#### SVR Registered Office

53 Canongate  
Edinburgh  
EH8 8BS

#### Banker

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

#### External Auditor

Wylie and Bisset  
168 Bath Street  
Glasgow  
G2 4TP

#### Internal Auditor

TIAA  
Artillery House  
Fort Fareham  
Newgate Lane  
Fareham  
PO14 1AH

#### Investment Manager

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

#### Solicitors

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

T C Young  
7 West George Street  
Glasgow  
G2 1BA

### Registration Information

Financial Conduct Authority	Registered Number SP1937RS
Scottish Housing Regulator	Registered Number 180
Office of the Scottish Charity Regulator	Charity Number SC012739
Care Inspectorate	Provider Number SP2004005816

## SCOTTISH VETERANS RESIDENCES

### REPORT OF THE GOVERNING BODY

#### For the year to 31 December 2023

Scottish Veterans' Residences (SVR) Governing Body presents its Annual Report and audited Financial Statements for the year ended 31 December 2023.

#### PRINCIPAL ACTIVITY

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

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

#### REVIEW OF OPERATIONS

**Overview.** 2023 was a significant year for the Charity. We celebrated the 90<sup>th</sup> Anniversary of Rosendael becoming SVR's second Residence in 1933. This was acknowledged by our Royal Patron, HRH The Duke of Gloucester KG GCVO, who visited Rosendael on 6 September 2023. During his visit, George Lowder having completed over 7 years as Chair, handed over to Jonathan Tweedie.

**Occupancy Levels.** Occupancy of our Bellrock Close and Rosendael Residences held up reasonably well throughout 2023. Occupancy levels at Whitefoord House were higher than the 10% budgetary and sector appropriate target during January to June, with a modest improvement in performance during the latter half of the year. Overall, we provided housing support services for 229 beneficiaries during 2023, an increase of 7 from 2022. Our Voids & Allocations Officers continue to contact large numbers of individuals and agencies on a weekly basis to ensure they are aware of the vacancies and services offered by the Charity. We have continued to receive referrals and contacts as a Referral Partner of the Veterans Gateway.

**Property Development and Maintenance.** Principal activity was a significant electrical upgrade at Whitefoord House, which required replacement of the main switchboard and a number of distribution boards, and the refurbishment of the administrative corridor and public rooms at Rosendael. The latter was funded through Rosendael's restricted fund. Throughout the year our Residences and tenanted properties were maintained to ensure all remained compliant with legislative requirements such as gas, electrical, and fire safety and that they remained at or above the Scottish Housing Quality Standard.

**Resident Activities.** We have continued to receive funding from the Armed Forces Covenant Fund Trust as a member of the Scottish Veterans Welfare Alliance, and the Scottish Veterans Fund in support of our Join In Live Well Officer based at Rosendael, and an Activities Officer based at Whitefoord House. These roles are very effective in encouraging Veterans to undertake activities that enrich their lives, build their confidence, and contribute to their physical and psychological wellbeing. We were also able to undertake refurbishment of the Residence gyms at Bellrock Close, which were generously supported by the Dr & Mrs J D Olav Kerr Charitable Trust, and Veterans Foundation, respectively.

## SCOTTISH VETERANS RESIDENCES

### REPORT OF THE GOVERNING BODY (continued)

#### For the year to 31 December 2023

#### Support.

- **Quality.** Two of our Residences were inspected by the Care Inspectorate (CI) during 2023; Bellrock Close, and Whitefoord House. Bellrock Close was assessed as GOOD (4) for Support to People's Wellbeing, and GOOD for its Leadership. Whitefoord House was assessed as GOOD for Support to People's Wellbeing, and VERY GOOD (5) for its Leadership. These assessments reflect the high standards of service delivery we provide for the Residents in our supported accommodation, and our emphasis on quality improvement.
- **Service Enhancement.** We have enhanced service provision through the employment of an Occupational Therapist (OT) to support Residents and Tenants. The benefits of occupational therapy within supported housing services had been compelling demonstrated during occupational therapy student placements at Bellrock Close and Whitefoord House Residences. An application to the Scottish Veterans Fund successfully attracted a 3-year grant to provide majority funding for the role. We now employ a full time OT who has rapidly become a key member of staff, and their skill and impact is supplemented by continued student placements.

#### GOVERNANCE

**Organisation.** In addition to the change of Chair of the Governing Body, 5 Trustees resigned during 2023 and were replaced. Responsibility and accountability for SVR is vested in its Governing Body. Its membership includes ex-officio members from the 3 Armed Services and the Merchant Navy Welfare Board to form a Governing Body of 14 Members. The Governing Body meets quarterly where the Members are advised by the Chief Executive and the Treasurer. The Governing Body has delegated authority to 3 Sub-Committees for the governance of specific business areas:

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

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

In October 2023, the Governing Body submitted its fifth Annual Assurance Statement (AAS) to the Scottish Housing Regulator. This confirmed full compliance with the SHR's Governance Standards contained within its regulatory framework.

**Governing Body.** SVR's Governing Body is predominantly male (85.7% male and 14.3% female), and of white ethnicity (92.9% white and 7.1% other ethnicity). This is broadly comparable with the overall Veteran population; (13.6% female Veterans); and (3.1% other ethnicity). The Governing Body has significant cognitive diversity through its breadth of Members' employment, experience, and interests. It also recognises that a number of Members have been so for a significant period of time. All are keen to remain as Members and they continue to add value to the Charity. None receive remuneration for their role in the Governing Body.

**Reserves.** Throughout the year, the Investment, Remuneration and Finance Committee (IRFC) paid particular attention to the Charity's reserves held within its investment portfolio. Markets continued to be volatile and fluctuated throughout the year. The year-end (November – December) finished on a positive note however, with the portfolio experiencing an unrealised gain of £0.451m (5.2%) from its 1 January 2023 start point.

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

## **SCOTTISH VETERANS RESIDENCES**

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

#### **For the year to 31 December 2023**

- £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;
- £2.2m to provide 12 months staff salaries; and
- £2.2m to provide 12 months non-salary operating costs.

Acknowledging that the value of the portfolio varies, but that it is extremely unlikely all risks would crystallize simultaneously, the Governing Body is content that SVR's reserves are sufficient.

#### **Internal Audit**

Our internal auditor, TIAA, conducted 3 audits during 2023; Quality Assurance (QA); Procurement and Purchasing P&P; and Budgetary Control (BC). Reasonable Assurance was achieved for QA and P&P, and Substantial Assurance for BC. The Chief Executive is responsible for addressing the recommendations to improve assurance across the 3 business areas and reports progress to the Audit and Risk Committee, and other Committees as necessary.

#### **KEY PERFORMANCE INDICATORS<sup>1</sup>**

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

The percentage of Residents and Tenants satisfied with the overall service was 93.55% and 88.33% for value for money. The Charity recognises the need to improve continually. In normal circumstances, as part of that process, each Residence holds quarterly meetings for Residents, attended by a member of the Governing Body. Post pandemic, Tenants have the opportunity to meet with the Chief Executive; every 6 months for the Bellrock Close Tenants, and at their request, every 3 months for the Gilmerton and Whitefoord House Tenants, for open discussion to address their desire to be more informed and involved in the decision-making process.

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

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

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

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

- Financial.
- Business continuity and IT Cybercrime/disaster recovery.
- Infectious disease.

---

<sup>1</sup> Based on the results of a postal survey of 186 residents/tenants for the Annual Return on the Social Housing Charter 2023.

## SCOTTISH VETERANS RESIDENCES

### REPORT OF THE GOVERNING BODY (continued)

#### For the year to 31 December 2023

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

- A significant majority of our income is maintained through payment of Universal Credit and consequently we are able to maintain cashflow. Our reserves are invested broadly in UK and Overseas equity, alternatives, fixed interest, and cash. Equities are both geographically and sectorally diversified. SVR has no loans or mortgages. Management includes analysing the impact of inflation on cashflow, and the potential costs of climate adaptation and achieving carbon net-zero targets; We have begun to examine the potential costs of achieving carbon net-zero targets and working with partners we expect to drawdown grants to at least partially offset costs.
- We have a business continuity management policy, which underpins our business continuity, crisis management, and IT disaster/cyber-attack recovery plans. Staff have been exercised in crisis management and restoration of business activity and are alert to the risk of cyber-crime and receive training to mitigate this risk.
- Relevant lessons from the Covid-19 pandemic have been incorporated into our Infection Prevention and Control Policy to mitigate the risk of an infectious disease outbreak in a Residence.

Financial and business continuity risks are articulated on our Strategic Risk Register, and infectious disease on the Operational Risk Register for management by the Senior Management Team.

#### GOVERNING BODY'S FINANCIAL RESPONSIBILITIES

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

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

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

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

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

## SCOTTISH VETERANS RESIDENCES

### REPORT OF THE GOVERNING BODY (continued)

#### For the year to 31 December 2023

An internal audit of core financial controls was conducted in 2022 and achieved Reasonable Assurance. The Governing Body has reviewed the effectiveness of the Charity's system of internal financial controls as it operated during the year under review. Such a system can provide only reasonable assurance against material misstatement or loss.

**Governing Body Membership.** Members of the Governing Body who held office during 2023 and to date are shown on page 1. In accordance with the Charity's Rules, the following retired in rotation at the Annual General Meeting:

- George Lowder;
- Jonathan Tweedie; and
- Sue Bomphray

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

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

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

**Auditor.** Wylie & Bisset (Audit) Limited remains our external auditor, having been appointed following a tender process in 2023, and having the appointment confirmed for a further year at the AGM held on 24 May 2023

#### **Signed on behalf of the Governing Body**

DocuSigned by:  
  
15E66324DF6B476...

**Jonathan Tweedie**  
**Chairman of the Governing Body**

24 May 2024



## SCOTTISH VETERANS RESIDENCES

### CHAIRMAN'S STATEMENT

#### For the year to 31 December 2023

I was both honoured and privileged to become the Chair of Scottish Veterans' Residences (SVR) in September 2023. As I took the chair at the start of my first Governing Body meeting, I surveyed with some trepidation the photographs of my 10 predecessors, which adorn our Boardroom's walls, reflecting on the qualities and dedication of the individuals that reached back to our foundation in 1910. Clearly a succession of tough acts to follow, and none more so than my immediate predecessor, George Lowder. SVR has grown and developed under his adroit and perceptive leadership. He oversaw the merger of the Charity with its Operating Arm, strengthened its governance through the creation of sub-committees, and led with confidence and resolve during the pandemic and cost-of-living crisis. A great shift by any measure, and one from which SVR will benefit far into the future. We are indebted to him, and quite rightly he received the whole organisation's warmest thanks and appreciation for all he achieved during his tenure.

I also recognise the contribution made by those Members of the Governing Body who retired during 2023: Lieutenant Ray Gidney RN, Major Christian Taylor, Squadron Leader Derek Morrison, Reverend Neil Gardner, and Ms Isla Tabberer. Together they have helped shape our organisation, strengthen our values and work for the good of the Charity and the wellbeing of those we support.

One of the highlights of SVR's year was welcoming our Royal Patron, HRH The Duke of Gloucester, to our Dundee Residence, Rosendael, in September, to recognise and commemorate 90 years of accommodation and support provision to Veterans, following the gifting of the property to SVR in 1933. His enthusiasm for, and detailed knowledge of our Charity, is extraordinary given the breadth of roles and functions he performs. This passion for the charity was never more obvious than when he was chatting with Residents and Staff from across SVR. Everyone he met appreciated the time, interest, and attention he gave to them. He recognised the important contribution the high standards of SVR's support to Residents makes to the improvement of their health and wellbeing. This has been borne out by the two successful Care Inspectorate inspections of our Bellrock Close and Whitefoord House Residences during 2023.

As a progressive and forward thinking organisation we can never be satisfied with resting on our laurels. We have sought to further improve our services with the inclusion of a full-time in-house Occupational Therapist, Janet Harkess, who provides a peripatetic service across our three Residences and to some of our Tenants. To continue to improve the offering to our clients and to ensure that SVR remains fit for purpose well into the 21<sup>st</sup> century, we have begun work on a strategic review to help deliver the vision and strategy to enable both SVR and our residents to thrive. Work on a new strategic plan has commenced. The Chief Executive is leading the preparatory work and will present a range of options to the Governing Body in the latter half of 2024. This will ensure that our service provision remains relevant and appropriate for the complex needs of current and future beneficiaries. I firmly expect that the support of Veterans and Merchant Mariners who are homeless or at risk of homelessness will remain at the core of our service provision, and that as always, we will make every decision with those users at the very centre of our thinking.

For that to be successful, we will continue to require the dedicated and caring staff who do so much for our Residents and Tenants. It is to them that I offer my warmest thanks and appreciation for all that they do, the energy they bring to us and the loyalty they show us.

DocuSigned by:  
  
15E66324DF6B476...

**Mr J Tweedie FSI BA (Hons)**  
**Chairman of the Governing Body**

24 May 2024

## **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 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 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; and
- have been prepared in accordance with the Co-operative and Communities Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019.

### **Basis for opinion**

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

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

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

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

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

### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

We have nothing to report in respect of these matters.

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

As explained more fully in the Governing Body's Responsibilities Statement set out on pages 6-7, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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


### **Independent auditors' report to the members of Scottish Veterans Residences**

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

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

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

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

DocuSigned by:  
  
5E26743FABB2453...

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

24 May 2024

## REPORT OF THE AUDITOR TO THE GOVERNING BODY

### ON CORPORATE GOVERNANCE MATTERS

#### For the year ended 31 December 2023

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.

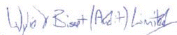
#### **Basis of Opinion**

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.

DocuSigned by:



5E26743FABB2453...

**Wylie and Bisset (Audit) Limited**

Statutory Auditor

168 Bath Street

Glasgow

G2 4TP

24 May 2024

**SCOTTISH VETERANS RESIDENCES****STATEMENT OF COMPREHENSIVE INCOME****For the year to 31 December 2023**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		£	£
<b>Turnover</b>	2	5,036,592	4,375,956
Operating expenditure	2	(5,215,248)	(4,590,961)
<b>Operating (deficit)</b>		----- (178,656)	----- (215,005)
Interest receivable		14,187	1,968
Investment Income		214,617	197,183
<b>Surplus/(Deficit) before tax</b>	5	50,148	(15,854)
Taxation	8	-	-
<b>Surplus/(Deficit) for the year</b>		----- 50,148	----- (15,854)
(Loss) on disposal of investments		(33,346)	(13,444)
Unrealised profit/(loss) on investments	9	306,179	(873,844)
<b>Total comprehensive income/(expenditure) for the year</b>		----- 322,981	----- (903,142)

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 2023**

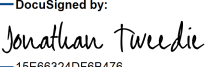
	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Restricted Funds</b>	<b>Total Funds</b>
	£	£	£	£
Balance at 1 January 2023	12	17,647,670	294,653	17,942,335
Surplus from statement of total Comprehensive income/(expenditure)	-	394,241	(71,260)	322,981
<b>Balance at 31 December 2023</b>	12	18,041,911	223,393	18,265,316
	=====	=====	=====	=====
Balance at 1 January 2022	12	18,593,975	251,490	18,845,477
Surplus from statement of total Comprehensive (expenditure)/income	-	(946,305)	43,163	(903,142)
<b>Balance at 31 December 2022</b>	12	17,647,670	294,653	17,942,335
	=====	=====	=====	=====

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

**SCOTTISH VETERANS RESIDENCES****STATEMENT OF FINANCIAL POSITION****As at 31 December 2023**

	Note	£	2023 £	£	2022 £
<b>Fixed assets</b>					
Investments	9	9,091,613	8,651,950		
Housing properties	10	12,507,766	12,788,635		
Other fixed assets	11	400,517	420,692		
		-----	-----		
			21,999,896		21,861,277
<b>Current assets</b>					
Trade and other debtors	12	392,585	216,167		
Cash and cash equivalents	13	1,014,644	818,339		
		-----	-----		
			1,407,229		1,034,506
<b>Creditors:</b> amounts falling due within one year	14	689,676	415,708		
		-----	-----		
<b>Net current assets</b>			717,553		618,798
			-----		-----
<b>Total assets less current liabilities</b>			22,717,449		22,480,075
			-----		-----
<b>Creditors:</b> amounts falling due after more than one year	14	4,452,133	4,537,740		
		-----	-----		
<b>Net assets</b>			18,265,316		17,942,335
			=====		=====
<b>Capital and reserves</b>					
Share capital	15		12		12
Revenue reserves	16	18,041,911	17,647,670		
Restricted reserves	17	223,393	294,653		
		-----	-----		
			18,265,316		17,942,335
			=====		=====

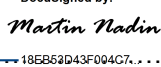
Approved and authorised for issue by the Governing Body and signed on its behalf by:

DocuSigned by:  
  
 -----  
 Mr J Tweedie FSI BA (Hons)

Chairman

DocuSigned by:  
  
 -----  
 Mr Tony Jones KC

Member

DocuSigned by:  
  
 -----  
 Brigadier (Retd) M N Nadin OBE

Chief Executive and Secretary

24 May 2024

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 2023**

	<b>2023</b>	<b>2022</b>
	£	£
<b>Cash flows from operating activities</b>		
Surplus/(deficit) for the year	50,148	(15,854)
Interest received	(14,187)	(1,968)
Investment income	(214,617)	(197,183)
Government grants utilised in year	(85,607)	(85,607)
Depreciation of tangible fixed assets	376,209	364,471
Movement in share capital	-	-
Increase/decrease in trade and other debtors	(176,418)	99,670
Increase/decrease in trade and other creditors	273,968	(83,682)
	-----	-----
Net cash flow from operating activities	159,348	79,847
	-----	-----
<b>Net cash generated from operating activities</b>	<b>209,496</b>	<b>79,847</b>
	-----	-----
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(75,165)	(238,781)
Purchase of investments	(1,470,084)	(1,129,261)
Proceeds from sale of investments	1,131,855	558,847
Decrease/(increase) in funds held by investment managers	171,399	420,821
Interest received	14,187	1,968
Investment income	214,617	197,183
	-----	-----
Net cash flow from investing activities	(13,191)	(189,223)
	-----	-----
Net change in cash and cash equivalents in the year	196,305	(109,376)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>818,339</b>	<b>927,715</b>
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	<b>1,014,644</b>	<b>818,339</b>
	=====	=====

**Reconciliation of cash and cash equivalents**

	<b>2022 Cash flows</b>		<b>2023</b>
	£	£	£
Cash and cash equivalents	818,339	196,305	1,014,644
	=====	=====	=====

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 2023**

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

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

**Legal Status**

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

**1. Accounting policies**

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

**Housing properties**

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

Useful economic lives for identified components are as follows:

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

Land is not depreciated.

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

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2023****1. Accounting policies continued**

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

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

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

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

- (h) Investments have been included at fair value being their quoted market price, at the balance sheet date. Realised gains and losses are recognised in the Statement of Comprehensive Income in the year in which they arise. Unrealised gains and losses are also recognised in the income and expenditure account in the year in which they arise.
- (i) The Governing Body has reviewed detailed budgets and cashflow forecasts up to 31 December 2024. 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 2023****2. Particulars of turnover, operating costs and operating surplus/(deficit)**

<b>2023</b>	<b>Turnover</b>	<b>Operating Costs</b>	<b>Operating surplus or (deficit) 2023</b>
	£	£	£
Affordable letting activities (note 3)	4,489,830	4,809,740	(319,910)
Other activities (note 4)	546,762	405,508	141,254
	-----	-----	-----
Total	5,036,592	5,215,248	(178,656)
	=====	=====	=====
<b>2022</b>	<b>Turnover</b>	<b>Operating Costs</b>	<b>Operating surplus or (deficit) 2022</b>
	£	£	£
Affordable letting activities (note 3)	4,060,518	4,296,562	(236,044)
Other activities (note 4)	315,438	294,399	21,039
	-----	-----	-----
Total	4,375,956	4,590,961	(215,005)
	=====	=====	=====

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2023****3. Particulars of turnover, operating costs and operating surplus from social letting activities**

<b>2023</b>	<b>General Needs Social Housing £</b>	<b>Supported Housing Social Accomm- odation £</b>	<b>2023 Total £</b>
<b>Turnover</b>			
Rent receivable net of service charges	201,763	4,750,994	4,952,757
Service charges	22,375	-	22,375
	-----	-----	-----
Gross income from rents and service charges	224,138	4,750,994	4,975,132
Less: Voids	(3,748)	(567,461)	(571,209)
	-----	-----	-----
Net income from rents and service charges	220,390	4,183,533	4,403,923
Add: Donations			
Grants released from deferred income	8,841	76,766	85,607
Other revenue grants	-	300	300
	-----	-----	-----
<b>Total turnover from social letting activities</b>	<b>229,231</b>	<b>4,260,599</b>	<b>4,489,830</b>
	-----	-----	-----
Management and maintenance administration Costs	74,086	1,021,983	1,096,069
Services costs	31,382	2,694,438	2,725,820
Planned and cyclical maintenance including major repair costs	53,880	394,566	448,446
Reactive maintenance costs	29,523	145,329	174,852
Bad debts - rents and service charges	(219)	76,710	76,491
Depreciation of affordable housing properties	82,571	205,491	288,062
	-----	-----	-----
<b>Operating costs for affordable letting activities</b>	<b>271,223</b>	<b>4,538,517</b>	<b>4,809,740</b>
	-----	-----	-----
<b>Operating (deficit) for affordable letting activities</b>	<b>(41,992)</b>	<b>(277,918)</b>	<b>(319,910)</b>
	=====	=====	=====

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

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2023****3. Particulars of turnover, operating costs and operating surplus from social letting activities**

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

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2023****4. Particulars of turnover, operating costs and operating surplus or (deficit) from other activities**

	<b>Supporting people income</b>	<b>Other income</b>	<b>Total turnover</b>	<b>Other operating costs</b>	<b>Operating surplus or (deficit) 2023</b>
	£	£	£	£	£
<b>2023</b>					
Support activities	119,409	-	119,409	236,899	(117,490)
Other activities	-	427,353	427,353	168,609	258,744
	-----	-----	-----	-----	-----
<b>Total from other activities</b>	<b>119,409</b>	<b>427,353</b>	<b>546,762</b>	<b>405,508</b>	<b>141,254</b>
	=====	=====	=====	=====	=====
	<b>Supporting people income</b>	<b>Other income</b>	<b>Total turnover</b>	<b>Other operating costs</b>	<b>Operating surplus or (deficit) 2022</b>
	£	£	£	£	£
<b>2022</b>					
Support activities	115,772	-	115,772	210,253	(94,481)
Other activities	-	199,666	199,666	84,146	115,520
	-----	-----	-----	-----	-----
<b>Total from other activities</b>	<b>115,772</b>	<b>199,666</b>	<b>315,438</b>	<b>294,399</b>	<b>21,039</b>
	=====	=====	=====	=====	=====

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 2023**

<b>5. Surplus/(deficit) on ordinary activities before taxation</b>	<b>2023</b>	<b>2022</b>
	£	£
Surplus/(deficit) on ordinary activities before taxation is stated after:		
Depreciation	376,209	364,471
Auditor's remuneration for audit services (including VAT)	15,725	14,976
	=====	=====

**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.

	<b>2023</b>	<b>2022</b>
	£	£
Emoluments of the Chief Executive (excluding employer's national insurance and pension contributions)	82,603	81,353
	=====	=====
Total	82,603	81,353
	=====	=====

There were no other directors whose emoluments, excluding pension contributions, were above £60,000 for the year (2022: £Nil).

No expenses were payable to members of the Governing Body for out of pocket expenses (2022: £Nil).

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

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

**7. Staff costs/employees**

	<b>2023</b>	<b>2022</b>
	£	£
Staff costs during the year:		
Salaries and wages	1,956,473	1,879,158
Social security costs	175,993	173,123
Other pension costs	147,569	128,906
Agency staff costs	155,944	108,787
	-----	-----
	2,435,979	2,289,974
	=====	=====

	<b>No.</b>	<b>No.</b>
The average monthly number of full time equivalent persons (including key management personnel)		
Managers	11	10
Other	61	62
	-----	-----
	72	72
	=====	=====



**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2023****7. Staff costs/employees (continued)**

The Charity operates a defined contribution pension scheme for staff. The assets of the scheme are held separately from those of the Charity in an independently administered fund. There was £31,614 of outstanding pension contributions at the year end (2022: £15,282).

Key management personnel are considered to be the Chief Executive and the Deputy Chief Executive whose total remuneration for 2023 was £143,844 (2022: £141,099) including pension contributions of £15,063 (2022: £14,278).

**8. Taxation**

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

**9. Investments**

	<b>2023</b>	<b>2022</b>
	£	£
Quoted Investments	8,875,362	8,264,300
Cash held as part of portfolio	216,251	387,650
	-----	-----
	9,091,613	8,651,950
	=====	=====
Fair value		
Opening balance at 1 January 2023	8,264,300	8,581,173
Additions	1,470,084	1,129,261
Disposals at market value	(1,165,201)	(572,290)
Change in net unrealised gains/(losses)	306,179	(873,844)
	-----	-----
Fair value at 31 December 2023	8,875,362	8,264,300
	=====	=====

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2023**

<b>10. Tangible fixed assets – Housing Properties</b>	<b>2023</b>	<b>2022</b>
	<b>Total</b>	<b>Total</b>
	£	£
<b>Property rehabilitation and development</b>		
<b>Cost</b>		
At 1 January 2023	17,440,383	17,301,526
Expenditure during the year	7,193	138,857
	-----	-----
Cost at 31 December 2023	17,447,576	17,440,383
	=====	=====
<b>Depreciation</b>		
At 1 January 2023	4,651,748	4,369,701
Charge for year	288,062	282,047
	-----	-----
At 31 December 2023	4,939,810	4,651,748
	=====	=====
<b>Net depreciated cost</b>	<b>12,507,766</b>	<b>12,788,635</b>
	=====	=====
<b>Net book value at 31 December 2023</b>	<b>12,507,766</b>	<b>12,788,635</b>
	=====	=====
<b>Net book value at 31 December 2022</b>	<b>12,788,635</b>	<b>12,788,635</b>
	=====	=====

Included in the cost of fixed assets is Land of £127,500 that is not depreciated (2022: £127,500)

	<b>Units in Management</b>	
	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
The number of units of accommodation in management were as follows:		
General Needs Housing	45	45
Supported Housing Accommodation	159	159
	-----	-----
	204	204
	=====	=====

Total major repairs costs to existing properties during the year were £89,633 (2022: £214,301) of which £7,193 (2022: £138,857) was capitalised.

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2023**

<b>11. Tangible fixed assets - Other</b>	<b>Motor Vehicle</b>	<b>Equipment</b>	<b>Garden Room</b>	<b>2023 Total</b>	<b>2022 Total</b>
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2023	5,500	924,510	8,985	938,995	839,071
Additions	-	67,972	-	67,972	99,924
	-----	-----	-----	-----	-----
Cost at 31 December 2023	5,500	992,482	8,985	1,006,967	938,995
	=====	=====	=====	=====	=====
<b>Depreciation</b>					
At 1 January 2023	5,500	506,964	5,839	518,303	435,879
Charge for year	-	87,247	900	88,147	82,424
	-----	-----	-----	-----	-----
At 31 December 2023	5,500	594,211	6,739	606,450	518,303
	=====	=====	=====	=====	=====
Net book value at 31 December 2023	-	398,271	2,246	400,517	420,692
	=====	=====	=====	=====	=====
Net book value at 31 December 2022	-	417,546	3,146		
	=====	=====	=====		
<b>12. Debtors</b>				<b>2023</b>	<b>2022</b>
				£	£
Rental arrears				246,115	145,279
Doubtful debt provision				(108,327)	(37,644)
				-----	-----
Sundry debtors and prepayments				137,788	107,635
				254,797	108,532
				-----	-----
				392,585	216,167
				=====	=====
<b>13. Cash and cash equivalents</b>				<b>At</b>	<b>At 31</b>
				<b>1 January</b>	<b>December</b>
				<b>2023</b>	<b>2023</b>
				£	£
Cash at bank and in hand				818,339	1,014,644
				=====	=====

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2023**

<b>14. Creditors</b>	<b>2023</b>	<b>2022</b>
	£	£
Amounts falling due within one year:		
Rent prepaid	95,865	58,232
Trade creditors	336,004	105,829
Accruals	53,591	61,745
Sundry creditors	72,609	60,383
Other taxes and social security	46,000	43,912
Deferred Housing Association Grant	85,607	85,607
	-----	-----
	689,676	415,708
	=====	=====
Amounts falling due after one year:		
Deferred Housing Association Grant	4,452,133	4,537,740
	=====	=====
	<b>2023</b>	<b>2022</b>
	£	£
Deferred Housing Association Grant		
Due within one year	85,607	85,607
Due between one and two years	85,607	85,607
Due between three and five years	256,821	256,821
Due after 5 years	4,109,705	4,195,312
	-----	-----
	4,537,740	4,623,347
Less: included in current liabilities above	(85,607)	(85,607)
	-----	-----
	4,452,133	4,537,740
	=====	=====
<b>15. Share capital</b>	<b>2023</b>	<b>2022</b>
	£	£
<b>Shares of £1 each issued and fully paid:</b>		
At 1 January	12	12
Issued/(Cancelled)	-	-
	-----	-----
At 31 December	12	12
	=====	=====
The shares carry no rights to interest or dividend and are neither withdrawable nor transferable.		
<b>16. Revenue reserves</b>	<b>2023</b>	<b>2022</b>
	£	£
Balance at 1 January	17,647,670	18,593,975
Surplus/(deficit) for the year	394,241	(946,305)
	-----	-----
Balance at 31 December	18,041,911	17,647,670
	=====	=====

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2023**

<b>17. Restricted reserves</b>	<b>2023</b>	<b>2022</b>
	£	£
Balance at 1 January	294,653	251,490
(Deficit)/surplus for the year	(71,260)	43,163
	-----	-----
	223,393	294,653
	=====	=====

	<b>Balance at 1 January 2023 £</b>	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Balance at 31 December 2023 £</b>
Healthy Lives Officer Post	18,509	-	(8,305)	10,204
Glasgow Fund	1,301	4,450	(120)	5,631
Whitefoord Other	4,367	9,525	(5,893)	7,999
Rosendael Fund	235,481	10,200	(80,366)	165,315
Step off into Better Health	26,770	-	(8,006)	18,764
Jubilee Event	231	-	(231)	-
Wellbeing Alliance	7,994	22,500	(29,404)	1,090
Gym relocation Whitefoord	-	10,000	-	10,000
Gym refurbishment Glasgow	-	5,500	(5,202)	298
Cycling Grant	-	14,337	(10,245)	4,092
	-----	-----	-----	-----
	294,653	76,512	(147,772)	223,393
	=====	=====	=====	=====

**Healthy Lives Officers Post**

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

**Glasgow Fund**

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

**Whitefoord Other**

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

**Rosendael Fund**

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

**Step off into Better Health**

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

**Jubilee Event**

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

**Wellbeing Alliance**

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

**Gym Relocation**

This was a donation received to cover the costs of the relocation of the gym at Whitefoord.

**SCOTTISH VETERANS RESIDENCES****NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2023****17. Restricted reserves continued****Gym Refurbishment**

This was a donation received to cover the costs of the refurbishment of the gym at Glasgow.

**Cycling Grant**

This was a donation received to cover the costs of cycling equipment for residents.

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

**18. Operating leases**

	<b>2023 £</b>	<b>2022 £</b>
Due in less than one year	11,312	11,312
Due between 2 and 5 years	1,886	13,198
	----- 13,198	----- 24,510 =====

**19. Financial instruments**

	<b>2023 £</b>	<b>2022 £</b>
<b>Financial assets</b>		
Financial assets measured at amortised costs	391,849	216,167
Financial assets measured at fair value	9,091,613	8,651,950
Balance at 31 December	----- 9,483,462	----- 8,868,117 =====
<b>Financial liabilities</b>		
Financial liabilities measured at amortised costs	558,068	286,189
Balance at 31 December	----- 558,068	----- 286,189 =====

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

Financial assets measured at fair value comprise investments.

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