

Company No: SP1937RS
Charity No: SC012739
Scottish Housing Regulator No: 180

SCOTTISH VETERANS RESIDENCES

**ANNUAL REPORT
and
FINANCIAL STATEMENTS**

For the year ended 31 December 2021

SCOTTISH VETERANS RESIDENCES

ANNUAL REPORT and FINANCIAL STATEMENTS

For the year ended 31 December 2021

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SCOTTISH VETERANS RESIDENCES

Governing Body

Brigadier (Retired) George Lowder MBE (Chairman)
Mr Jonathan Tweedie FSI BA (Hons) (Vice-Chairman)
Lieutenant Commander Lynsey Youngson RN (Resigned 1 July 2021)
Lieutenant Ray Gidney RN (Appointed 8 November 2021)
Major Roddy Laing (Retired 5 March 2021)
Major Christian Taylor (Appointed 3 September 2021)
Squadron Leader Derek Morrison
Mr Iain Lindsay MNWB
Ms Sue Bomphray
Mr Richard Edmann
Reverend Neil Gardner MA BD
Mr Troy Johnson
Mr Tony Jones QC
Mr Clive Masson
Mrs Pippa Shields (Retired 28 May 2021)
Ms Isla Tabberer (Elected 3 September 2021)
Mr Sandy Telfer (Elected 5 March 2021)

Chief Executive

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

Treasurers
Chiene+Tait LLP
61 Dublin Street
Edinburgh
EH3 6NL

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

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

Registration Information
Financial Conduct Authority

Scottish Housing Regulator

Office of the Scottish Charity Regulator

SVR Registered Office
53 Canongate
Edinburgh
EH8 8BS

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

T C Young
Merchants House
7 West George Street
Glasgow
G2 1BA

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

Co-operative and Community Benefit Societies Act
2014 Registered Number SP1937RS
Housing (Scotland) Act 2010
Registered Number 180
Charity Number SC012739

SCOTTISH VETERANS RESIDENCES

REPORT OF THE GOVERNING BODY

For the year to 31 December 2021

Scottish Veterans Residences (SVR) Governing Body presents its Annual Report and audited Financial Statements for the year ended 31 December 2021.

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 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. A further year dominated by the Covid-19 pandemic, despite which, we were able to keep our Residences open throughout the year. With a greater prevalence of Covid-19 than 2020, it was perhaps inevitable that some members of staff and Residents would become infected, although the number of cases was relatively low. Thankfully because of a strong take-up of the vaccine, the majority of those infected suffered only a mild illness.

We were able to maintain an emergency and urgent maintenance service throughout the periods of lockdown for the 3 Residences and all our tenanted properties. When Covid-19 measures allowed, we were able to undertake some planned maintenance and survey work. Window repair and replacement was undertaken at Whitefoord House, fire alarm upgrades were carried out in all dwellings and a Condition Survey of the entire SVR estate was completed and reported.

Residence annual rental income was below forecast and budget, principally due to an increase in void levels at Whitefoord House which were primarily as a result of lockdowns and restrictions hampering veterans from moving around the UK to access our services. Our investment portfolio performed well, realising income, and increasing in capital value. Operating cost expenditure increased due to preventative measures employed to combat the risk of Covid-19 infection. These additional costs were partially offset by inclusion in our annual rent submissions to local authorities, and grants from the DTA Scotland Communities Recovery Fund, the Albert Hunt Trust, and the Armed Forces Third Sector Resilience Fund.

SCOTTISH VETERANS RESIDENCES

REPORT OF THE GOVERNING BODY (continued)

For the year to 31 December 2021

Occupancy Levels. With the exception of the Rosendael Lodge, our 45 Scottish Secure Tenancies remained almost continuously occupied throughout the year. When vacancies occurred, there were multiple applications. Tenancy turnover remains low with only 1 or 2 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 SHR for urgent repairs.

Since 2020, it had been planned to convert the 4-bedroomed Rosendael Lodge into three self-contained one-bedroomed flats. Following survey, design, and application for a building warrant, it became apparent that the conversion costs made this financially unviable, and the Governing Body cancelled the project in May 2021. The Governing Body sought legal advice and received confirmation that the Charity's objects allowed it to offer accommodation to a non-Veteran family, who assumed occupancy in November 2021.

Despite Covid-19 measures, occupancy of our Bellrock Close and Rosendael Residences held up reasonably well. Occupancy levels at Whitefoord House however, were challenging throughout the year, higher than the 10% budgetary and sector appropriate target during all 4 Quarters. Overall, we provided housing support services for 194 veterans during 2021; a decrease from the 203 we supported in 2020. 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. As in 2020, the engagement plan that was developed in 2019, to meet the 18 Local Authorities that over the previous 10 years, have had the highest numbers of homeless Veterans, remained a casualty of Covid-19 measures. With the protection afforded by vaccination and a significant return of staff to offices likely, we are hopeful that we will be able to execute the engagement plan in 2022. We have continued to receive referrals and contacts as a Referral Partner of the Veterans Gateway.

Property Development and Maintenance. As in 2020, the primary focus in 2021 was on keeping our Residences and tenanted properties safe. 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. Importantly, we were able to install interlinked smoke and fire detectors in all our tenancies. We owe thanks to our principal contractor, ECG, for assistance on these fronts despite finding themselves with a greatly reduced workforce due to furlough.

We were able to complete an entire estate condition survey, window repair and replacement works at Whitefoord House, and installed an Electric Vehicle Charging Point at each Residence. However, most of the works planned for 2021 were deferred into 2022. These works will continue as soon as circumstances allow. This additionally includes works identified in the condition survey as being necessary within 12 – 24 months, and includes lift maintenance at Rosendael and Whitefoord House, an electrical power upgrade at Whitefoord House, and a number of bathroom and/or kitchen refurbishments in some of our tenancies. The Queen Mary Roehampton Trust generously gave grants in support of furniture replacement, and steps maintenance at Whitefoord House.

Resident Activities. We are indebted to the continued generosity of the Armed Forces Covenant Fund Trust (AFCFT) for providing a grant to our Bellrock Close Art Club, and a further grant in support of the Join In Live Well Officer (JILWO) post. Despite Covid-19 measures restricting the JILWO's ability to conduct group activities, this role continues 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. Another grant from the Scottish Veterans Fund has enabled us to offer indoor and outdoor activities to non-Resident Veterans and we intend to develop and expand activity opportunities for non-Resident Veterans in 2022.

SCOTTISH VETERANS RESIDENCES

REPORT OF THE GOVERNING BODY (continued)

For the year to 31 December 2021

When possible, our Residence Art Clubs have continued to meet, helping the Residents develop and exploit their 'inner artist'. Following its relocation to an industrial unit in Govan, we assisted the Bellrock Close Residence Art Club to become a Scottish Charitable Incorporated Organisation, named ACVC. The Club continues to be well supported by Bellrock Close Residents and Tenants and increasingly, the wider Veteran population in Greater Glasgow.

Quality. Our Residences continue to provide high quality support. Whiteford 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.

Veterans' Homelessness Prevention Pathway. Following a request from the Scottish Government to the Veterans Scotland Housing Group, together with colleagues from Veterans Scotland, Veterans Housing Scotland, Housing Options Scotland, Homeless Network Scotland, University of Stirling, and the Scottish Government we were able to contribute to the development of this innovative pathway. The report was published on 25th January 2022 and makes 24 recommendations within 7 identified themes, to help prevent Veterans' homelessness. We remain very much committed to the development of the pathway and will continue to participate in its implementation.

Sustainability. Recognising the climate emergency, and the net carbon zero targets set by the UK and Scottish Governments, and the local authorities, in which SVR's property is located, we have begun to develop our knowledge and explore options to improve the Charity's sustainability, energy and thermal efficiency. In 2021, SVR was accredited by the Carbon Literacy Project as a Carbon Literate Organisation. We are exploring opportunities to enter into partnerships to conserve our estate sympathetically, whilst improving energy and thermal efficiency. Initial sustainability improvements include the conversion of our vehicle fleet to electric vehicles, joining the Circular Economy, and improving our waste segregation, and the items we reuse and/or recycle.

GOVERNANCE

Organisation. 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 management team, the Treasurers, and the HR Consultant. The Chief Executive advises the Governing Body on strategy. The Governing Body is ultimately responsible for decision making.

SCOTTISH VETERANS RESIDENCES

REPORT OF THE GOVERNING BODY (continued)

For the year to 31 December 2021

The Governing Body submitted its third Annual Assurance Statement (AAS) to the Scottish Housing Regulator. 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:

- Business Plan 2022 – Publication of our Business Plan was delayed due to an inability to complete the estate condition surveys due to Covid-19 measures. These were subsequently completed, and the Business Plan published.
- Tenant Participation Strategy – Our Tenant Participation Strategy has been reviewed by the Tenant Participation Advisory Service (TPAS) Scotland and a report provided. Its recommendations are being incorporated into the Strategy, following which, it will be published. Full compliance will, consequently, be achieved.

Governing Body. The Governing Body recognises that three of its Members have served for over 10 years. It is content with this. All three 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 continue to add significant value through their membership. The Governing Body recognises the value and strength of diversity of membership. It acknowledges its current composition is predominantly male (85.8% male and 14.2% female), and white (93% white and 7% BAME). These are largely reflective of, and comparable with, the UK Veteran population; (10% female Veterans in 2016, expected to grow to 13% by 2028¹); and (1% BAME Veterans in 2017²). In addition to reflecting the UK Veteran population, the Governing Body has significant cognitive diversity through its breadth of employment roles, experience, and interests.

Reserves. Throughout the year, the Investment, Remuneration and Finance Committee (IRFC) paid particular attention to the Charity's reserves held within its investment portfolio. The portfolio performed well during 2021 and increased its capital value by 13.6%.

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. 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 aims to have at least:

- £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 Our internal auditor, TIAA, conducted 3 remote audits during 2021; Business Continuity Management, Corporate Governance – Regulatory Standards, and ICT General Controls. In this, the first year of formal independent internal audit inspections and reports, all 3 inspections reported Reasonable Assurance. 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.

¹ MoD Population Projection in UK Armed Forces Veterans residing in GB 2016-2018 published 10 January 2019.

² MoD Population Survey: UK Armed Forces Veterans residing in GB, 2017 published 31 January 2019.

SCOTTISH VETERANS RESIDENCES

REPORT OF THE GOVERNING BODY (continued)

For the year to 31 December 2021

KEY PERFORMANCE INDICATORS³

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). During 2021, we offered our Residents and Tenants online, telephone, and postal options to compile and understand how they reviewed our performance and the quality of our accommodation and services. The survey was conducted by an independent provider.

The percentage of residents and tenants satisfied with the overall service was 84.5% and 82.5% for value for money. Both were improvements on the previous survey conducted in 2019⁴. The Charity recognises the need to improve continually. In normal circumstances, as part of that process, each Residence holds quarterly meetings for Residents, chaired by a member of the Governing Body. The Chief Executive also meets with the Bellrock Close Tenants every 6 months, and at their request every 3 months with the Gilmerton and Whitefoord House Tenants, for open discussion to address their desire to be more informed and involved in the decision-making process. We were unable to maintain this schedule during 2021 but intend to re-activate it as soon as restrictions allow.

89.2% of tenants were satisfied with the quality of their home. 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, which was required to be met by 2020 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 risk management including the impact of Covid-19 on cashflow and reserves, and the potential costs of achieving carbon net-zero targets;
- Business continuity and disaster recovery including prevention of and recovery from cyber-crime; and
- Infectious disease outbreak in a Residence.

³ Based on 103 interviews of Residents/Tenants for the Annual Return on the Social Housing Charter 2021.

⁴ Our 2020 ARC submission was based on our 2019 survey findings as Covid-19 measures curtailed the completion of the 2020 survey before a statistically significant number of Residents and Tenants could be interviewed.

SCOTTISH VETERANS RESIDENCES

REPORT OF THE GOVERNING BODY (continued)

For the year to 31 December 2021

These risks are articulated on our Strategic Risk Register. The Governing Body currently considers these 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. 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 developed a business continuity management policy and plan. Staff are alert to the risk of cyber-crime and receive training. We are undertaking the digitalisation of the Charity and have updated our firewalls and security systems. All data is being migrated to the cloud.
- In the event of an outbreak of infectious disease we are able to maintain most aspects of service provision through adjustments to practise. Staff are trained in the prevention of infectious disease, and both they and Residents follow advice regarding preventative measures and use PPE appropriately.

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 external/internal auditor 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 2021

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 Membership. Members of the Governing Body who held office during 2021 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:

- Brigadier (Retired) George Lowder.
- Mr Clive Masson.
- Mrs Pippa Shields.

George Lowder and Clive Masson 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. In practicing good governance, the Governing Body recognising that RSM UK Audit LLP has acted as the Charity's auditor since 21st February 2018, will recommend a proposal to seek tenders from audit providers to audit its financial statements for the year commencing 1st January 2022. It will invite RSM UK Audit LLP to re-tender.

Signed on behalf of the Governing Body


Brigadier (Retired) G E Lowder MBE
Chairman of the Governing Body

Date: 19 May 2022

SCOTTISH VETERANS RESIDENCES

CHAIRMAN'S STATEMENT

For the year to 31 December 2021

2021 was the second year of operating within the restrictions of Covid-19 measures. Remarkably, despite the service challenges wrought by this, SVR has not only continued to deliver its core object of providing accommodation to Veterans and former Merchant Seamen in need, but has widened its service delivery and strengthened its governance.

I have been impressed with the progress made in digitalising the Charity. As this programme nears completion, we are beginning to reap the benefits of better data analysis and visualisation. We recognise that we must play our part in mitigating the climate emergency. I'm very pleased that SVR has been formally accredited as a Carbon Literate Organisation, is participating in the circular economy and is already taking steps to reduce carbon emissions. Much work in this regard lies ahead, but we are developing the knowledge and forming partnerships that will allow us to do more.

SVR has continued to be a supportive partner and contributor within broader Veterans' and Housing Sectors. Responding to a Scottish Government request, we contributed to the development of the Veterans Homelessness Prevention Pathway and will continue to contribute to the Report's recommendations.

Despite the financial challenges of increased levels of voids and growing inflation, SVR remains financially strong. We have been fortunate not to have to drawdown any of our reserves to maintain services and cashflow remains healthy. Increasingly as Covid-19 measures end, we can be confident that SVR remains fully able to provide accommodation and support to prevent homelessness and assist Veterans and former Merchant Seamen to live as independently as they are able.

None of this would have been achievable without the significant effort and hard work of SVR's staff and the continued engagement and contribution by Members of the Governing Body. I am truly grateful to every one of them and extend my sincere thanks to them all.

I commend this report to you.

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

Date: 19 May 2022

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 2021 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 2021 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. 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
Third Floor
2 Semple Street
Edinburgh
EH3 8BL

Date: 20 May 2022

REPORT OF THE AUDITOR TO THE GOVERNING BODY

ON CORPORATE GOVERNANCE MATTERS

For the year ended 31 December 2021

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
Thrd Floor
2 Semple Street
Edinburgh
EH3 8BL**

Date: 20 May 2022

SCOTTISH VETERANS RESIDENCES**STATEMENT OF COMPREHENSIVE INCOME****For the year to 31 December 2021**

	Note	2021	2020
		£	£
Turnover	2	4,195,017	4,189,779
Operating expenditure	2	(4,384,569)	(4,305,356)
Operating (deficit)/surplus		(189,552)	(115,577)
Interest receivable		91	808
Investment Income		163,251	142,766
(Deficit)/Surplus before tax	5	(26,210)	27,997
Taxation	8	-	-
(Deficit)/Surplus for the year		(26,210)	27,997
Gain/(Loss) on disposal of investments		127,628	(135,384)
Unrealised profit on investments	9	886,874	563,324
Total comprehensive income for the year		988,292	455,937

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 2021**

	Share Capital	Revenue Reserve	Restricted Funds	Total Funds
	£	£	£	£
Balance at 1 January 2021	12	17,675,159	182,014	17,857,185
Surplus from statement of total Comprehensive income	-	918,816	69,476	988,292
Shares issued/(cancelled)	-	-	-	-
Balance at 31 December 2021	12	18,593,975	251,490	18,845,477
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

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

SCOTTISH VETERANS RESIDENCES
STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Investments	9	9,389,644	8,264,159		
Housing properties	10	12,931,825	13,213,127		
Other fixed assets	11	403,192	309,827		
		-----	-----		
			22,724,661		21,787,113
Current assets					
Trade and other debtors	12	315,837	160,149		
Cash and cash equivalents	13	927,715	1,040,696		
		-----	-----		
		1,243,552	1,200,845		
Creditors: amounts falling due within one year					
	14	499,390	421,820		
		-----	-----		
Net current assets			744,162		779,025
			-----		-----
Total assets less current liabilities			23,468,823		22,566,138
Creditors: amounts falling due after more than one year					
	14		4,623,346		4,708,953
			-----		-----
Net assets			18,845,477		17,857,185
			=====		=====
Capital and reserves					
Share capital	15		12		12
Revenue reserves	16		18,593,975		17,675,159
Restricted reserves	17		251,490		182,014
			-----		-----
			18,845,477		17,857,185
			=====		=====

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

.....			Chairman
Brigadier (Retd) G Lowder MBE			
.....			Vice Chairman
Mr J Tweedie FSI BA (Hons)			
.....			Chief Executive and Secretary
Brigadier (Retd) M N Nadin OBE			

Date: 19 May 2022

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 2021**

	2021	2020
	£	£
Cash flows from operating activities		
Surplus for the year	(26,210)	27,997
Interest received	(91)	(808)
Investment income	(163,251)	(142,766)
Government grants utilised in year	(85,607)	(85,607)
Depreciation of tangible fixed assets	340,015	329,623
Movement in share capital	-	-
Increase/decrease in trade and other debtors	(155,688)	126,552
Increase in trade and other creditors	77,570	28,429
Net cash flow from operating activities	(13,262)	283,420
Net cash generated from operating activities	(13,262)	283,420
Cash flows from investing activities		
Purchase of tangible fixed assets	(152,077)	(80,854)
Purchase of investments	(1,154,206)	(1,223,127)
Proceeds from sale of investments	1,362,955	1,135,363
(Increase)/decrease in funds held by investment managers	(319,733)	(13,222)
Interest received	91	808
Investment income	163,251	142,766
Net cash flow from investing activities	(99,719)	(38,266)
Net change in cash and cash equivalents in the year	(112,981)	245,154
Cash and cash equivalents at the beginning of the year	1,040,696	795,542
Cash and cash equivalents at the end of the year	927,715	1,040,696

Reconciliation of cash and cash equivalents

	2020 Cash flows		2021
	£	£	£
Cash and cash equivalents	1,040,696	(112,981)	927,715

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 2021

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 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 2021****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 2023. 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 2021****2. Particulars of turnover, operating costs and operating surplus/(deficit)**

2021	Turnover	Operating Costs	Operating surplus or (deficit) 2021
	£	£	£
Affordable letting activities (note 3)	3,726,130	3,988,203	(262,073)
Other activities (note 4)	468,887	396,366	72,521
Total	4,195,017	4,384,569	(189,552)
	=====	=====	=====
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)
	=====	=====	=====

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2021****3. Particulars of turnover, operating costs and operating surplus from social letting activities**

2021	General Needs Social Housing £	Supported Housing Social Accomm- odation £	2021 Total £
Turnover			
Rent receivable net of service charges	202,548	4,167,698	4,370,246
Service charges	22,375	-	22,375
	-----	-----	-----
Gross income from rents and service charges	224,923	4,167,698	4,392,621
Less: Voids	(13,525)	(738,573)	(752,098)
	-----	-----	-----
Net income from rents and service charges	211,398	3,429,125	3,640,523
Add: Donations	-	-	-
Grants released from deferred income	8,841	76,766	85,607
Other revenue grants	-	-	-
	-----	-----	-----
Total turnover from social letting activities	220,239	3,505,891	3,726,130
	-----	-----	-----
Management and maintenance administration costs	93,659	892,545	986,204
Services costs	24,675	2,179,626	2,204,301
Planned and cyclical maintenance including major repair costs	50,494	276,094	326,588
Reactive maintenance costs	29,598	94,249	123,847
Bad debts - rents and service charges	(1,379)	67,340	65,961
Depreciation of affordable housing properties	82,751	198,551	281,302
	-----	-----	-----
Operating costs for affordable letting activities	279,798	3,708,405	3,988,203
	-----	-----	-----
Operating (deficit)/ surplus for affordable letting activities	(59,559)	(202,514)	(262,073)
	=====	=====	=====

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**

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)
	=====	=====	=====

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2021****4. Particulars of turnover, operating costs and operating surplus or (deficit) from other activities**

2021	Grants from Scottish Ministers		Other Supporting people		Other income	Total turnover	Operating costs - bad debts	Other operating costs	Operating surplus or (deficit) 2021
	£	£	revenue grants	income					
Support activities	-	-	-	106,600	-	106,600	-	186,544	(79,944)
Other activities	-	-	-	-	362,287	362,287	-	209,822	152,465
Total from other activities	-	-	-	106,600	362,287	468,887	-	396,366	72,521

2020	Grants from Scottish Ministers		Other Supporting people		Other income	Total turnover	Operating costs - bad debts	Other operating costs	Operating surplus or (deficit) 2020
	£	£	revenue grants	income					
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

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 2021**

5. Surplus/(deficit) on ordinary activities before taxation	2021	2020
	£	£
Surplus/(deficit) on ordinary activities before taxation is stated after:		
Depreciation	340,015	329,623
Auditor's remuneration for audit services (including VAT)	14,800	14,220
	=====	=====

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.

	2021	2020
	£	£
Emoluments of the Chief Executive (excluding employer's national insurance and pension contributions)	78,144	76,875
	=====	=====
Total	78,144	76,875
	=====	=====

There were no other directors whose emoluments, excluding pension contributions, were above £60,000 for the year (2020: £Nil).

No expenses were payable to members of the Governing Body for out of pocket expenses (2020: £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 £70,000 but not more than £80,000	1	1
	=====	=====

7. Staff costs/employees

	2021	2020
	£	£
Staff costs during the year:		
Salaries and wages	1,746,390	1,682,030
Social security costs	155,167	142,816
Other pension costs	128,801	123,830
Agency staff costs	107,837	27,964
	-----	-----
	2,138,195	1,976,640
	=====	=====

	No.	No.
The average monthly number of full time equivalent persons (including key management personnel)		
Managers	10	11
Other	68	57
	-----	-----
	78	68
	=====	=====

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2021****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 £14,239 of outstanding pension contributions at the year end (2020: £11,006).

Key management personnel are considered to be the Chief Executive, Martin Nadin and the Deputy Chief Executive, George Corbett, whose total remuneration for 2021 was £135,171 (2020: £131,740) including pension contributions of £15,069 (2020: £14,963).

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

	2021	2020
	£	£
Quoted Investments	8,581,173	7,775,421
Cash held as part of portfolio	808,471	488,738
	-----	-----
	9,389,644	8,264,159
	=====	=====
Fair value		
Opening balance at 1 January 2021	7,775,421	7,259,717
Additions	1,154,206	1,223,127
Disposals at market value	(1,235,328)	(1,270,747)
Change in net unrealised gains/(losses)	886,874	563,324
	-----	-----
Fair value at 31 December 2021	8,581,173	7,775,421
	=====	=====

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2021**

10. Tangible fixed assets – Housing Properties	2021	2020
	Total	Total
	£	£
Property rehabilitation and development		
Cost		
At 1 January 2021	17,301,526	17,296,313
Expenditure during the year	-	5,213
	-----	-----
Cost at 31 December 2021	17,301,526	17,301,526
	=====	=====
Depreciation		
At 1 January 2021	4,088,399	3,801,080
Charge for year	281,302	287,319
	-----	-----
At 31 December 2021	4,369,701	4,088,399
	=====	=====
Net depreciated cost	12,931,825	13,213,127
	=====	=====
Net book value at 31 December 2021	12,931,825	13,213,127
	=====	=====
Net book value at 31 December 2020	13,213,127	
	=====	

Included in the cost of fixed assets is Land of £127,500 that is not depreciated (2020: £127,500)

	Units in Management	
	2021	2020
	No.	No.
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 £80,438 (2020: £27,511) of which nil (2020: £5,213) was capitalised.

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2021**

11. Tangible fixed assets - Other	Motor Vehicle	Equipment	Garden Room	2021 Total	2020 Total
	£	£	£	£	£
Cost					
At 1 January 2021	5,500	865,550	8,985	880,035	804,394
Disposals	-	(193,041)	-	(193,041)	-
Additions	-	152,077	-	152,077	75,641
	-----	-----	-----	-----	-----
Cost at 31 December 2021	5,500	824,586	8,985	839,071	880,035
	=====	=====	=====	=====	=====
Depreciation					
At 1 January 2021	5,500	560,665	4,043	570,208	527,904
Depreciation on disposals	-	(193,041)	-	(193,041)	-
Charge for year	-	57,814	898	58,712	42,304
	-----	-----	-----	-----	-----
At 31 December 2021	5,500	425,438	4,941	435,879	570,208
	=====	=====	=====	=====	=====
Net book value at 31 December 2021	-	399,148	4,044	403,192	309,827
	=====	=====	=====	=====	=====
Net book value at 31 December 2020	-	304,091	5,736		
	=====	=====	=====		
12. Debtors					
				2021	2020
				£	£
Rental arrears				231,747	183,450
Doubtful debt provision				(108,524)	(42,581)
				-----	-----
Sundry debtors and prepayments				123,223	140,869
				192,614	19,280
				-----	-----
				315,837	160,149
				=====	=====
13. Cash and cash equivalents					
			At	Movement	At 31
			1 January	in year	December
			2021	2021	2021
			£	£	£
Cash at bank and in hand			1,040,696	(112,981)	927,715
			=====	=====	=====

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2021**

14. Creditors	2021	2020
	£	£
Amounts falling due within one year:		
Rent prepaid	97,376	83,978
Trade creditors	180,380	121,596
Accruals	78,581	72,030
Sundry creditors	17,270	20,457
Other taxes and social security	40,176	38,152
Deferred Housing Association Grant	85,607	85,607
	-----	-----
	499,390	421,820
	=====	=====
Amounts falling due after one year:		
Deferred Housing Association Grant	4,623,346	4,708,953
	=====	=====
	2021	2020
	£	£
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	4,280,918	4,366,525
	-----	-----
	4,708,953	4,794,560
Less: included in current liabilities above	(85,607)	(85,607)
	-----	-----
	4,623,346	4,708,953
	=====	=====
15. Share capital	2021	2020
	£	£
Shares of £1 each issued and fully paid:		
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.		
16. Revenue reserves	2021	2020
	£	£
Balance at 1 January	17,675,159	17,321,996
Surplus/(deficit) for the year	918,816	353,163
	-----	-----
Balance at 31 December	18,593,975	17,675,159
	=====	=====

SCOTTISH VETERANS RESIDENCES**NOTES to the FINANCIAL STATEMENTS (continued)****For the year to 31 December 2021**

17. Restricted reserves	2021	2020
	£	£
Balance at 1 January	182,014	79,240
Surplus/(deficit) for the year	69,476	102,774
	-----	-----
	251,490	182,014
	=====	=====

	Balance at 1 January 2021 £	Incoming Resources £	Outgoing Resources £	Balance at 31 December 2021 £
Healthy Lives Officer Post	19,820	36,750	(31,345)	25,225
Glasgow Fund	9,168	12,500	(21,668)	-
Whitefoord Other	16,246	5,100	(16,664)	4,682
Rosendael Fund	97,492	145,050	(20,959)	221,583
Family Support Fund	295	-	(295)	-
Art Clubs Fund	3,422	-	(3,422)	-
Cycling Scotland	697	-	(697)	-
Wellbeing Fund	34,874	87,332	(122,206)	-
	-----	-----	-----	-----
	182,014	286,732	(217,256)	251,490
	=====	=====	=====	=====

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.

Family Support Fund

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

Art Clubs Fund

This is donations and or grants received to fund the Art Clubs at the three homes.

Cycling Scotland

This is a donation and or grants received towards funding cycling equipment for the homes.

Wellbeing Fund

The Wellbeing Fund was for donations and or grants 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 2021****17. Restricted reserves continued**

	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 =====

18. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at amortised costs	315,837	160,149
Financial assets measured at fair value	9,389,644	8,264,159
Balance at 31 December	----- 9,705,481 =====	----- 8,424,308 =====
Financial liabilities		
Financial liabilities measured at amortised costs	373,607	298,061
Balance at 31 December	----- 373,607 =====	----- 298,061 =====

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.