

Registered Housing Association Number: HCB 277  
Charity Registration Number: SC041911  
FCA Reference Number: 2420R (S)

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**REPORT and FINANCIAL STATEMENTS**

**For the year ended 31 March 2022**

## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

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## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

### **THE MANAGEMENT COMMITTEE, EXECUTIVES and ADVISERS**

**For the year ended 31 March 2022**

#### **Members of the Management Committee**

H Holland	Chairperson
M Caldwell	Vice Chairperson (elected 23/09/21)
B Tollett	Vice Chairperson (resigned as Vice Chairperson 23/09/21, resigned as committee Member 30/06/22)
A Macdonald	Secretary
R Rigley	Committee Member
P Uti	Committee Member
T McGuigan	Committee Member
D MacKenzie	Committee Member
G Bell	Committee Member
K Philips	Committee Member
D Khan	Committee Member
K Singh	Co-optee (co-opted 29/04/21, resigned 24/06/21)
C McLellan	Co-optee (co-opted 02/12/21)

#### **Executive Officers**

J Shields	Director
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#### **Registered Office**

24 Avondale Street  
Ruchazie  
Glasgow  
G33 3QS

#### **External Auditor**

Chiene + Tait LLP  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh  
EH3 6NL

#### **Internal Auditor**

Alexander Sloan  
Accountants & Business Advisers  
180 St Vincent St  
Glasgow  
G2 5SG

#### **Bankers**

The Royal Bank of Scotland Plc  
Glasgow Parkhead (A) Branch  
1304 Duke Street  
Glasgow  
G31 5PZ

#### **Solicitors**

BTO Solicitors LLP  
48 St Vincent Street  
Glasgow  
G2 5HS

#### **Solicitors**

TC Young  
7 West George St  
Glasgow  
G2 1BA

## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

### **REPORT from the MANAGEMENT COMMITTEE**

#### **For the year ended 31 March 2022**

The Management Committee presents their report and the audited Financial Statements for the year ended 31 March 2022.

#### **Legal Status**

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. 1825R (S). The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SC041911.

#### **Principal Activities**

The principal activities of the Association are

- The provision and management of affordable rented social housing.
- The maintenance and repair of the Associations' properties
- The provision of a factoring service to private tenants

#### **Review of business and future developments**

Like most RSL's Ruchazie HA has sustained a service throughout the last year despite the impacts of Covid19. Our service was available to customers via telephone, email and in person. The Management Committee continued to maintain governance meetings and we were able to deliver most of our component and cyclical programmes.

In the last quarter of this year, two members of staff left the Association, one of whom having been with the organisation for 26 years. For a staff team of only five, these departures represent a significant loss of in-depth knowledge and experience, however key services have been maintained during this period of change and we have since been successful in recruiting knowledgeable and experienced staff into these roles.

There is limited land availability in our area of operation for development, however the Association continues to be open to exploring any opportunities that are presented for partnership working in developing and building new homes in the area.

The Association continues to work in partnership with other RSL's under the banner of the Easterhouse Regeneration Alliance (EHRA) to lobby politicians for equal opportunities for the Greater Easterhouse area. Output across the year includes the commissioning of a report assessing the impact of Covid on the local community. Further partnership working with Ruchazie Pantry provides our community with a cost effective, alternative food shopping option.

#### **Performance**

Benchmarking information provided by Scottish Housing Networks confirms that the Association remains one of the stronger performing organisations amongst our peers of similar size and in our immediate location.

Income remained strong throughout the year and we were successful in recovering some rent arrears. The total amount of rent arrears at 31<sup>st</sup> March was £24067.20 which represents 2.66% of rent due in this reporting year.

There were 5 relets in the reporting year totalling 155 days of rent loss. Given the pandemic restrictions the Association fared well in keeping these void days to a minimum. Ruchazie remains a popular area to live in with low terminations and a void loss of 0.09% of our annual rent charge.

## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

### **REPORT from the MANAGEMENT COMMITTEE (continued)**

#### **For the year ended 31 March 2022**

With a view to gaining assurance as to the integrity of our financial models and longer-term financial wellbeing, the Management Committee instructed an external review of its 30-year financial projections in March 2022.

The reviewer advised that the underlying assumptions contained within the financial projections are prudent and reasonable and subject to additional verification of the component replacement costs, was satisfied with the financial integrity of the model and concluded that the Association complies with Standards 3 and 4 of the Regulatory Standards of Governance and financial management.

We were delighted to be awarded the Investors in People (IIP) silver accreditation.

Investors in People silver accreditation acknowledges that Ruchazie has been awarded one of the highest levels of accreditation within the Investors in People framework and have leap-frogged the 'Developed' award at the first attempt, securing the coveted silver award.

The award recognises organisations that have a commitment to people development, with regular briefings, clear objectives and defined paths of development.

RHA is justifiably proud of this achievement, and are committed not only to maintaining the silver standard, but to exceeding it in the future.

In November 2021 the Ruchazie Staff were awarded the housing team of the Year at The Chartered Institute of housing awards.

The title of housing team of the year is awarded to a team who have delivered an outstanding contribution to their organisation and for the housing sector. The award is designed to recognise achievement of something special, as part of developing new services, dealing with difficult situations or delivering the best services.

#### **Governance**

The Management Committee is responsible for overseeing the strategic direction and providing an overview of the performance of the Association. The Association rules provide for up to 15 Management Committee members. As at 31<sup>st</sup> March 2022, there are 12 committee members including 1 member co-opted in December 2021.

The Scottish Housing Regulator published an engagement plan in March 2021 and again in March 2022 stating our engagement status whereby they do not require any further assurance from Ruchazie Housing Association at this point in time other than the annual regulatory returns required from all RSLs.

#### **Risk Management**

The Management Committee appointed the Edinburgh Risk Management Group to support them in developing a risk register, including key strategic and operational risks. This is reviewed monthly by staff and quarterly by the Audit & Risk Committee. The Management Committee are provided with oversight and approve the risk register on an annual basis.

The Management Committee continue to review all core business risks as well as those affected by the current economic climate, coming out of covid and the challenges for our tenants. Management Committee have recently undertaken a review of financial plans and the potential overall impact of

## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

### **REPORT from the MANAGEMENT COMMITTEE (continued)**

#### **For the year ended 31 March 2022**

the cost of living crisis. The Association has robust business continuity plans in place which allow the business to be managed and impact to be minimised. Scenario planning is being undertaken and reviewed to allow the Association to consider the potential immediate impact along with medium and long-term impact.

#### **Financial Review**

The Association made a surplus for the year of £481,740 (2021: £103,110). £190k was spent on component replacement which has been capitalised.

Turnover of £1,233,912 (2021: £1,217,566) relates to income from the letting of properties at affordable rents. Rent increases in the year were 1.7% (2021: 2.5%).

At 31 March 2022 £2,409,638 (2021: £1,927,905) was held in revenue reserves.

#### **Reserves**

The Association needs to have reserves to ensure the organisation can function into the future and meet its future liabilities, including the major repairs and investment needs of its properties. The revenue reserve of £2,409,638 reflects primarily the past investment in housing stock and reserves for future major repairs. The Association has a cash level of £865k to support its future plans and operating requirements. The Association reviews its maintenance spending plans regularly and re-assesses them in relation to reserves and cash flows. The Management Committee projects that total reserves at 31 March 2023 are likely to be in the region of £819k.

#### **Committee of Management and Executive Officers**

The members of the Management Committee and the Executive Officers are listed on Page 1.

#### **Auditors**

A resolution to appoint auditors will be proposed at the Annual General Meeting.

#### **Statement of Management Committee's Responsibilities**

The Co-operative and Community Benefit Societies Act 2014 require the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that year. In preparing those Financial Statements, the Management Committee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business;
- prepare a state on Internal Financial Control.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the House (Scotland) Act 2010 and the Determination of Accounting Requirements – 2014. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

The Management Committee must, in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Management Committee are aware:

## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

### **REPORT from the MANAGEMENT COMMITTEE (continued)**

**For the year ended 31 March 2022**

#### **Statement of Management Committee's Responsibilities (continued)**

- there is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's auditors are unaware, and
- the Management Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

#### **Statement on Internal Financial Control**

The Management Committee acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the Association, or for publication;
- the maintenance of proper accounting records, and
- the safeguarding of assets against unauthorised use or disposition.

It is the Management committee's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Association's systems include ensuring that:

1. formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
2. experience and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
3. forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
4. quarterly financial management reports are prepared promptly, providing relevant, reliable and up-to-date financial and other information, with significant variances from budget being investigated as appropriate;
5. regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
6. all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through the Management Committee;
7. the Management Committee receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken; and
8. formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2022. No Weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report for the financial statements.

BY ORDER OF THE MANAGEMENT COMMITTEE

**A Macdonald**  
**Secretary**

8<sup>th</sup> September 2022

## **RUCHAZIE HOUSING ASSOCIATION**

### **REPORT by the AUDITOR to the MANAGEMENT COMMITTEE on**

### **CORPORATE GOVERNANCE MATTERS**

**For the year ended 31 March 2022**

In addition to our audit of the Financial Statements, we have reviewed your statement on page 5 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

#### **Basis of Opinion**

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

#### **Opinion**

In our opinion the Statement on Internal Financial Control on page 5 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes 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.

Through enquiry of certain members of the Management Committee and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls with in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



**Chiene + Tait LLP**  
**Chartered Accountants and Statutory Auditor**  
**61 Dublin Street**  
**Edinburgh EH3 6NL**

12 September 2022



## **INDEPENDENT AUDITORS REPORT to the MEMBERS of**

### **RUCHAZIE HOUSING ASSOCIATION LIMITED**

**For the year ended 31 March 2022**

#### **Opinion**

We have audited the financial statements of Ruchazie Housing Association Limited (the Association) for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Capital and Reserves the Statement of Cash Flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2022 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 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 – 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**

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Management Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Management Committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The Management Committee 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 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  
RUCHAZIE HOUSING ASSOCIATION LIMITED (continued)**

**For the year ended 31 March 2022**

**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 require us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

**Responsibilities of the Management Committee**

As explained more fully in the Statement of the Management Committee's Responsibilities set out on page 5, the Management Committee 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 Management Committee 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 Management Committee are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee 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. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

We gained an understanding of the legal and regulatory framework applicable to the Association and the industry in which it operates and considered the risk of acts by the Association which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Housing SORP 2018, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland) Act 2010.

We focused on laws and regulations that could give rise to a material misstatement in the Association's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the members;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

**INDEPENDENT AUDITOR'S REPORT to the MEMBERS of**  
**RUCHAZIE HOUSING ASSOCIATION LIMITED (continued)**  
**For the year ended 31 March 2022**


**Auditor's responsibilities for the audit of the financial statements (continued)**

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

**Use of our report**

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



Chiene + Tait LLP  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh EH3 6NL

**12 September 2022**

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**STATEMENT of COMPREHENSIVE INCOME**

**For the year ended 31 March 2022**

	Notes	£	2022 £	£	2021 £
<b>Revenue</b>	2		1,389,903		1,346,202
Operating costs	2		(978,979)		(1,017,712)
<b>Operating surplus</b>	2, 9		410,924		328,490
Interest receivable and other similar income		1,436		1,209	
Interest payable and other similar charges	7	(30,620)		(36,923)	
Other finance charges	10	(4,000)		-	
			(33,184)		(35,714)
<b>Surplus for the year</b>			<b>377,740</b>		<b>292,776</b>
<b>Other comprehensive income</b>					
Movement on fair value of Commercial Properties	11		-		26,334
Actuarial gains / (losses) in respect of pension scheme	22		104,000		(216,000)
<b>Total comprehensive income</b>			<b>481,740</b>		<b>103,110</b>

The results for the year relate wholly to continuing activities.

The notes on pages 14 to 29 form part of these financial statements.

# **RUCHAZIE HOUSING ASSOCIATION LIMITED**

## **STATEMENT of FINANCIAL POSTION**

**As at 31 March 2022**

	Notes	£	2022 £	£	2021 £
<b>Non-current assets</b>					
Housing properties – depreciated cost	11(a)		12,207,891		12,405,418
Other tangible fixed assets	11(b)		48,194		50,384
			<hr/>		<hr/>
			12,256,085		12,455,802
<b>Current assets</b>					
Debtor	13	44,659		48,582	
Cash at bank and in hand		865,127		1,027,713	
		<hr/>		<hr/>	
		909,786		1,076,295	
<b>Creditors:</b> amounts falling due within one year	14	(245,086)		(495,557)	
		<hr/>		<hr/>	
<b>Net current assets</b>			664,700		580,738
<b>Creditors:</b> amounts falling due after more than one year:					
Housing property loans	15		(1,947,476)		(2,074,875)
<b>Provision for liabilities</b>					
Pension – defined benefit liability	22		(17,420)		(172,283)
<b>Deferred income</b>					
Social Housing Grants	17		(8,546,251)		(8,861,477)
			<hr/>		<hr/>
			2,409,638		1,927,905
			<hr/>		<hr/>
<b>Equity</b>					
Share capital	18		70		77
Revenue reserve	18		2,409,568		1,927,828
			<hr/>		<hr/>
			2,409,638		1,927,905
			<hr/>		<hr/>

The financial statements were approved by the Management Committee, authorised for issue and signed on its behalf on 8<sup>th</sup> September 2022.

.....  
Chairperson

H Holland

.....  
Committee Member

G Bell

.....  
Secretary

A Macdonald

The notes on pages 14 to 29 form part of these financial statements.

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**STATEMENT of CASH FLOWS**

**For the year ended 31 March 2022**

	Notes	£	2022 £	£	2021 £
<b>Net cash inflow from operating Activities</b>	16		385,170		361,385
<b>Investing activities</b>					
Purchase of other fixed assets		(190,644)		(24,139)	
<b>Net cash outflow from investing activities</b>			(190,644)		(24,139)
<b>Net cash inflow before financing</b>			194,526		337,246
<b>Financing activities</b>					
Issue of ordinary share capital		-		7	
Interest received		1,436		1,209	
Interest paid		(30,620)		(36,923)	
Loan principal repayments		(327,928)		(163,577)	
<b>Net cash outflow from financing</b>			(357,112)		(199,284)
<b>Increase/(Decrease) in cash</b>			(162,586)		137,962
Opening cash and cash equivalents			1,027,713		889,751
<b>Closing cash and cash equivalents</b>			865,127		1,027,713

**Analysis of Changes in Net Debt**

	2021 £	Cash flows £	Non-cash changes £	2022 £
<b>Long-term borrowings</b>	(2074,875)	-	127,399	(1,947,476)
<b>Short-term borrowings</b>	(327,537)	327,928	(127,399)	(127,008)
<b>Total liabilities</b>	(2,402,412)	327,928	-	(2,074,484)
<b>Cash and cash equivalents</b>	1,027,713	(162,586)	-	865,127
<b>Total net debt</b>	(1,374,699)	165,342	-	(1,209,357)

The notes on pages 14 to 29 form part of these financial statements.

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**STATEMENT of CHANGES in CAPITAL and RESERVES**

**For the year ended 31 March 2022**

	Share Capital £	Revenue Reserve £	Total £
Balance as at 1 April 2021	77	1,927,828	1,927,905
Issue of shares	-	-	-
Cancelled shares	(7)	-	(7)
Surplus for year	-	481,740	481,740
<b>Balance as at 31 March 2022</b>	<b>70</b>	<b>2,409,568</b>	<b>2,409,638</b>

	Share Capital £	Revenue Reserve £	Total £
Balance as at 1 April 2020	73	1,824,718	1,824,791
Issue of shares	7	-	7
Cancelled shares	(3)	-	(3)
Surplus for year	-	103,110	103,110
<b>Balance as at 31 March 2021</b>	<b>77</b>	<b>1,927,828</b>	<b>1,927,905</b>

The notes on pages 14 to 29 form part of these financial statements.

# **RUCHAZIE HOUSING ASSOCIATION LIMITED**

## **NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2022**

### **1. Principal Accounting Policies**

#### **Legal Status**

The Association is incorporated under the Co-operative and Community Benefits Societies Act 2014 and is registered by the Financial Conduct Authority. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

#### **Basis of Accounting**

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice – Accounting by Registered Social Landlords 2018, and on the historical cost basis. They also comply with the requirements of the Determination of Housing Requirements 2015 as issued by the Scottish Housing Regulator.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see below).

The following principal account policies have been applied:

#### **Going concern**

The Association has a healthy cash and net current asset position and thus the Management Committee are satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus, the Management Committee continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Revenue**

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised as expenditure is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met.

Government Grants are released to income over the expected useful life of the asset to which it relates.

#### **Retirement Benefits**

The Association moved to the SHAPS defined contribution scheme on leaving the defined benefit scheme on 1<sup>st</sup> September 2020. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

The Association previously participated in the Scottish Housing Association Defined Benefits Pension Scheme and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

The Association accounts for the pension scheme on a defined benefit basis based on its share of scheme assets and liabilities as determined by the actuary. Defined benefit costs are recognised in the Statement of Comprehensive Income within operating costs. Actuarial gains and losses are recognised in Other Comprehensive Income.

Historically the scheme was accounted for as a defined contribution scheme as there was insufficient information for each social landlord's share of SHAPS to allow for defined benefit accounting. The liability previously recognised for the present value of the social landlord's deficit funding agreement has been derecognised. The difference between the deficit funding agreement liability social landlords historically recognised for SHAPS, and the net DB deficit for SHAPS, has been recognised in other comprehensive income (OCI).



## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

### **NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2022**

#### **1. Principal Accounting Policies (continued)**

Further details of the scheme and its assumptions are included at note 22.

##### **Valuation of Housing Properties**

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 11. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

<b>Component</b>	<b>Useful Economic Life</b>
Central Heating	15 years straight line
Kitchens	18 years straight line
Door Entry Systems & Renewables	20 years straight line
Bathrooms, Windows, Radiators, Rewiring & Rainwater Goods	30 years straight line
Doors (internal and external)	30-45 years straight line
External Render, Roof Coverings & Structure	50 years straight line

##### **Depreciation and Impairment of Other Non-Current Assets**

A other non-current asset is an asset which costs £1,000 including VAT or more to purchase, with a useful life of more than one year; or assets of a lesser value may be capitalised if they form part of a group, with a group value in excess of £1,000 including VAT with an individual value greater than £100.

Other Non-Current Assets are stated at cost less accumulated depreciation. Depreciation is charged over the expected useful economic useful lives of the assets at the following annual rates:

Office Premises	10% reducing balance
Office Furniture and Equipment	33% straight line

A full year's depreciation is charged in the year of purchase. No charge is made in the year of disposal. The carrying value of non-current assets is reviewed for impairment at the end of each reporting year.

##### **Commercial Properties**

The commercial properties are carried at fair value determined by external valuers and derived from the current market rents and commercial property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

##### **Social Housing Grant and Other Grants in Advance/Arrears**

Social Housing Grants and Other Capital Grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates.

Social Housing Grant attributed to individual components is written off to the Income and Expenditure Account when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account in the same year as the expenditure to which it relates.

## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

### **NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2022**

#### **1. Principal Accounting Policies (continued)**

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

##### **Estimation Uncertainty**

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying the Association's Accounting Policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, is disclosed below:

##### **Rent Arrears – Bad Debt Provision**

The Association assesses the recoverability of rent arrears through a detailed assessment process which considers: tenant payment history, arrangement in place, and court action.

##### **Life Cycle of Components**

The Association estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

##### **Useful Lives of Other Fixed Assets**

The useful lives of other fixed assets are based on the knowledge of senior management at the Association with reference to expected asset lifecycles.

##### **Pension Liabilities**

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.

##### **Leases/Leased Assets**

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets under finance lease and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives.

##### **Works to Existing Properties**

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

##### **Development Interest**

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

##### **Financial Instruments - Basic**

The Association only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like rents, accounts receivable and payable, loans from banks and related parties.

These are recognised in accordance with Section 11 of Financial Reporting Standard 102.

The Association's debt instruments are measured at amortised cost using the effective interest rate method

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2022

2. Particulars of Revenue, Cost of Sales, Operating Costs and Operating Surplus

	Note	Revenue £	Operating costs £	Operating surplus/ (deficit) £	2021 Operating surplus/ (deficit) £
Social letting activities	3	1,233,912	(860,974)	372,938	334,377
Other activities	4	155,991	(118,005)	37,986	(5,887)
<b>Total</b>		<b>1,389,903</b>	<b>(978,979)</b>	<b>410,924</b>	<b>328,490</b>

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2022**

**3. Particulars of Income and Expenditure from Social Lettings**

	<b>General Needs Housing 2022 Total £</b>	<b>General Needs Housing 2021 Total £</b>
<b>Revenue from lettings</b>		
Rent receivable net of identifiable service charges	919,046	903,761
Service charges receivable	2,196	3,795
	<hr/>	<hr/>
<b>Gross rents receivable</b>	921,242	907,556
Less: Rent losses/write backs from voids	(1,607)	(5,239)
	<hr/>	<hr/>
<b>Net rents receivable</b>	919,635	902,317
Amortisation of Social Housing and Other Grants	314,277	315,249
	<hr/>	<hr/>
<b>Total income from social letting</b>	1,233,912	1,217,566
	<hr/>	<hr/>
<b>Expenditure on social letting activities</b>		
Management and maintenance administration costs	334,977	342,178
Planned and cyclical maintenance including major repairs	49,349	71,494
Reactive maintenance	86,437	80,094
Service charge costs	2,196	3,795
Community engagement costs	756	712
Bad debts – rents and services charges	(303)	5,104
Depreciation of social housing	387,562	379,812
	<hr/>	<hr/>
<b>Operating costs of social housing</b>	860,974	883,189
	<hr/>	<hr/>
<b>Operating surplus on social letting activities</b>	372,938	334,377
	<hr/>	<hr/>

RUCHAZIE HOUSING ASSOCIATION LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2022

4. Particulars of Income and Expenditure from Other Activities

	Grants from Scottish Ministers £	Other Revenue grants £	Supporting People income £	Other income £	Total turnover £	Operating costs - bad debts £	Operating costs - other £	Operating surplus/ (deficit) 2022 £	Operating surplus (deficit) 2021 £
Wider Role	-	40,000	-	-	40,000	-	(40,000)	-	-
Stage 3 applications	-	3,033	-	-	3,033	-	(2,757)	276	1,599
Recharges	-	-	-	10,634	10,634	(9,276)	(10,030)	(8,672)	(1,127)
Development funding	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	436	436	-	(323)	113	362
Support activities	-	26,794	28,725	-	55,519	-	(55,519)	-	(6,721)
Other income/(expenditure)	-	-	-	46,369	46,369	-	(100)	46,269	-
<b>Total from other activities</b>	-	69,827	28,725	57,439	155,991	(9,276)	(108,729)	37,986	(5,887)
<b>Total from other activities for 2021</b>	-	110,839	14,765	3,032	128,636	(2,367)	(132,156)	(5,887)	

# RUCHAZIE HOUSING ASSOCIATION LIMITED

## NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2022

### 5. Committee Member and Officers Emoluments

The officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association. The Association considers key management personnel to be members of the Management Committee and the Director. No emoluments were paid to any member of the management committee during the year (2021: £nil).

	2022 £	2021 £
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	-	-
Total emoluments paid to key management personnel	34,365	36,661
Employer NI in respect of key management personnel	3,522	3,847
Pension contributions in respect of key management personnel	12,451	9,913
Total emoluments paid to key management personnel	50,338	50,421
	=====	=====

Total number of officers including the highest paid officer, who received Emoluments (excluding pension contributions) over £60,000 is Nil.

No payments (2021: £nil) were made to management committee members during the year for reimbursement of expenses.

### 6. Employee Information

	2022 £	2021 £
Staff costs during the year:		
Wages and salaries	151,137	147,960
Social Security costs	10,429	10,829
Pension costs	35,460	28,389
	197,026	187,178
	=====	=====

During the year, past service deficit contributions of £54,863 (2021: £53,265) were paid. Pension scheme management costs of £1,773 (2021: £1,776) and defined contribution life assurance premiums of £582 (2021: £231) are included in pension costs above.

	No.	No.
The average number of full-time equivalent persons employed during the year was	4.6	4
	=====	=====

### 7. Interest payable and similar charges

	2022 £	2021 £
Bank loans and overdrafts	30,620	36,923
	=====	=====

# **RUCHAZIE HOUSING ASSOCIATION LIMITED**

## **NOTES to the FINANCIAL STATEMENTS**

### **For the year ended 31 March 2022**

<b>8. Operating Surplus for the year</b>	<b>2022</b>	<b>2021</b>
	£	£
Surplus is stated after charging:		
Depreciation of tangible owned fixed assets	389,752	375,434
Auditor's remuneration – audit services (exc VAT)	7,750	7,250
– other services (exc VAT)	-	1,050
Internal Auditor's fees (exc VAT)	3,600	2,330
Operating lease rentals – Other	1,019	1,019
(Gain)/Loss on disposal of fixed assets	(340)	3
Amortisation of capital grants	(314,277)	(315,249)
	=====	=====

### **9. Tax on Surplus on Ordinary Activities**

The Association is a Registered Scottish Charity and is exempt from Corporation Tax on its charitable activities.

<b>10. Other Finance Income/Charges</b>	<b>2022</b>	<b>2021</b>
	£	£
Defined benefit pension interest expense	4,000	-
	=====	=====

<b>11. Non-current assets</b>	<b>Housing Properties Held for Letting</b>
	£
<b>(a) Housing properties</b>	
<b>Cost</b>	
At start of year	19,482,139
Additions	190,644
Disposals	(138,298)
At end of year	19,534,485
<b>Depreciation</b>	
At start of year	7,076,721
Charged during year	387,562
Eliminated on disposal	(137,689)
At end of year	7,326,594
<b>Net book value</b>	
At end of year	12,207,891
	=====
At start of year	12,405,418
	=====

Additions to housing properties includes capitalised component replacement costs to existing properties of £190,644 (2021: £22,071). All land and housing properties are heritable.

# **RUCHAZIE HOUSING ASSOCIATION LIMITED**

## **NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2022**

<b>11. Non-current assets</b>	<b>Commercial Properties</b>	<b>Office Premises</b>	<b>Office Furniture &amp; Equipment</b>	<b>Total</b>
	£	£	£	£
<b>(b) Other tangible assets</b>				
<b>Cost</b>				
At start of year	34,000	46,675	29,213	109,888
Additions	-	-	-	-
Disposals	-	-	-	-
At end of year	34,000	46,675	29,213	109,888
<b>Depreciation</b>				
At start of year	-	31,670	27,834	59,504
Charged during year	-	1,501	689	2,190
Disposals	-	-	-	-
At end of year	-	33,171	28,523	61,694
<b>Net book value</b>				
At end of year	34,000	13,504	690	48,194
At start of year	34,000	15,005	1,379	50,384

The commercial property (1 shop unit) was revalued by DVS Property Specialists arm of the Valuation Office Agency (VOA) at 10<sup>th</sup> March 2020 on a market basis. The Management Committee consider this to be the fair value at 31<sup>st</sup> March 2022.

<b>12. Commitments Under Operating Leases</b>	<b>2022</b>	<b>2021</b>
	£	£
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:		
Not later than one year	702	1,019
Later than one year and not later than five years	1,319	372
	2,021	1,391
	=====	=====
<b>13. Debtors</b>	<b>2022</b>	<b>2021</b>
	£	£
Arrears of rent and service charges	29,361	30,679
<u>Less:</u> Provision for doubtful debts	(15,870)	(16,577)
	13,491	14,102
Other Receivables	14,184	16,341
Prepayments and accrued income	16,984	18,139
	44,659	48,582
	=====	=====



# **RUCHAZIE HOUSING ASSOCIATION LIMITED**

## **NOTES to the FINANCIAL STATEMENTS**

### **For the year ended 31 March 2022**

<b>14. Creditors:</b> amounts falling due within one year	<b>2022</b>	<b>2021</b>
	£	£
Bank loans and overdrafts	127,008	327,537
Trade payable	12,053	25,834
Rent in advance	45,691	44,821
Other taxation and Social Security	3,063	3,571
Other payables	1,018	42,282
Accruals and deferred income	56,253	51,512
	<u>245,086</u>	<u>495,557</u>
	=====	=====

<b>15. Creditors:</b> amounts falling due after one year	<b>2022</b>	<b>2021</b>
	£	£
Housing loans	1,947,476	2,074,875
	<u>1,947,476</u>	<u>2,074,875</u>
	=====	=====

The Association has a number of long term housing loans, the terms and conditions of which are as follows:

The Association has a number of long term housing loans secured by specific charges on the Association's housing properties. These loans are due for repayment in instalments as detailed below at rates of interest varying from 1.49% to 1.78%.

All of the Association's bank borrowing are repayable on a monthly/quarterly basis with the principal being amortised over the term of the loans.

	<b>2022</b>	<b>2021</b>
	£	£
Amounts due within one year	127,008	327,537
Amounts due in one year or more but less than two years	127,008	126,617
Amounts due in two years or more but less than five years	874,026	906,852
Amounts due in more than five years	946,442	1,041,406
	<u>2,074,484</u>	<u>2,402,412</u>
Less: amounts shown in current liabilities	127,008	327,537
	<u>1,947,476</u>	<u>2,074,875</u>
	=====	=====

# **RUCHAZIE HOUSING ASSOCIATION LIMITED**

## **NOTES to the FINANCIAL STATEMENTS**

### **For the year ended 31 March 2022**

#### **16. Statement of Cash Flows**

	<b>2022</b>	<b>2021</b>
	£	£
Reconciliation of operating surplus to balance as at 31 March 2022		
Operating surplus	410,924	328,490
Depreciation	389,752	375,434
Amortisation of Capital Grants	(314,277)	(315,249)
(Gain)/Loss on assets scrapped	(340)	3
Change in debtors	3,923	(4,018)
Change in creditors	(49,942)	31,143
Movement in pension liability	(54,863)	(54,415)
Cancelled shares	(7)	(3)
	-----	-----
Balance as at 31 March 2022	385,170	361,385
	=====	=====

#### **17. Deferred Income**

	<b>2022</b>	<b>2021</b>
	£	£
<b>Social Housing Grants</b>		
Balance as at 1 April 2021	8,861,477	9,176,908
Released as the result of property disposal	(949)	(182)
Amortisation in year	(314,277)	(315,249)
	-----	-----
<b>Balance as at 31 March 2022</b>	8,546,251	8,861,477
	=====	=====
<b>Total deferred grants</b>	8,546,251	8,861,477
	=====	=====

This is expected to be released to the Statement of Comprehensive income as follows:

Amounts due within one year	314,678	315,271
Amounts due in one year or more	8,231,573	8,546,206
	-----	-----
	8,546,251	8,861,477
	=====	=====

# **RUCHAZIE HOUSING ASSOCIATION LIMITED**

## **NOTES to the FINANCIAL STATEMENTS**

### **For the year ended 31 March 2022**

<b>18. Reserves</b>	<b>2022</b>	<b>2021</b>
	£	£
<b>Share capital</b>		
<u>Shares of £1 issued and fully paid</u>		
At 1 April 2021	77	73
Issued in year	-	7
Cancelled in year	(7)	(3)
	=====	=====
At 31 March 2022	70	77
	=====	=====

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

<b>Reserves</b>	<b>2022</b>	<b>2021</b>
	£	£
At 1 April 2021	1,927,828	1,824,718
Surplus for year	481,740	103,110
	=====	=====
At 31 March 2022	2,409,568	1,927,828
	=====	=====

<b>19. Housing Stock</b>	<b>2022</b>	<b>2021</b>
	£	£
The number of units of accommodation in management at the year-end was:		
General needs – new build	201	201
General needs – improved	24	24
General needs – commercial	1	1
	=====	=====
	226	226
	=====	=====

### **20. Related Party Transactions**

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102. The related party relationships of the members of the Management Committee are summarised as:

- Members are tenants of the Association
- Members are factored owners
- Management Committee members cannot use their position to their advantage. Any transactions between the Association and any entity with which a Management Committee member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Management Committee members were as follows:

- Rent received from tenants on the Committee - £11,658 (2021: £11,815).
- At the year-end total rent arrears owed by the tenant members of the Committee were - £683 (2021: £106).

## **RUCHAZIE HOUSING ASSOCIATION LIMITED**

### **NOTES to the FINANCIAL STATEMENTS**

#### **For the year ended 31 March 2022**

#### **21. Details of Association**

The Association is a Registered Society registered within the Financial Conduct Authority and is domiciled in Scotland.

The Association's principal place of business is 24 Avondale Street, Ruchazie, Glasgow G33 3QS.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing in Glasgow.

#### **22. Retirement Benefit Obligations**

The Association participated in the Scottish Housing Association Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Association moved to a defined contribution scheme on 1st September 2020 but has a net liability for the past service deficit in the defined benefit scheme.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the Scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A Recovery Plan has been put in place to eliminate the deficit which runs to either 30 September 2022 or 31 March 2023 (depending on funding levels) for the majority of employers, although certain employers have different arrangements.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it has not been possible for the Association to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Association had accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme.

For accounting purposes, two actuarial valuations for the Scheme were carried out with effective dates of 1 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus at the accounting period start and end dates.

# **RUCHAZIE HOUSING ASSOCIATION LIMITED**

## **NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2022**

### **22. Retirement Benefit Obligations (continued)**

	<b>2022</b>	<b>2021</b>
	£	£
As at 1 April 2021	172,283	10,698
Current service cost	-	6,000
Net interest expense	4,000	-
Expenses	1,776	1,776
Contributions by employer	(56,639)	(62,191)
Impact of change in assumptions	(104,000)	216,000
	-----	-----
As at 31 March 2022	17,420	172,283
	=====	=====

The Association has past service deficit commitments to pay £56,506 (2022: £54,863) during the year ended 31 March 2023.

### **Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)**

	<b>2022</b>	<b>2021</b>
	£'000s	£'000s
Fair value of plan assets	1,539	1,475
Present value of defined benefit obligation	1,556	1,647
Surplus/(deficit) in plan	(17)	(172)
Defined benefit asset/(liability) to be recognised	(17)	(172)
	=====	=====

### **Reconciliation of opening and closing balances of the defined benefit obligation**

	<b>Period ended 31 March 2022 £'000s</b>
Defined benefit obligation at start of period	1,647
Expenses	2
Interest expense	36
Actuarial losses/(gains) due to scheme experience	35
Actuarial losses/(gains) due to changes in demographic assumptions	5
Actuarial losses/(gains) due to changes in financial assumptions	(136)
Benefits paid and expenses	(33)
Defined benefit obligation at end of period	1,556
	=====

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2022**

**22. Retirement Benefit Obligations (continued)**

**Reconciliation of opening and closing balances of the fair value of plan assets**

	Period ended 31 March 2022 £'000s
Fair value of plan assets at start of period	1,475
Interest income	32
Experience on plan assets (excluding amounts included in interest income) - gain/(loss)	8
Contributions by the employer	57
Benefits paid and expenses	(33)
Fair value of plan assets at end of period	1,539
	=====

**Defined benefit costs recognised in statement of comprehensive income (SOCl)**

	Period ended 31 March 2022 £'000s
Expenses	2
Net interest expense	4
Defined benefit costs recognised in statement of comprehensive income (SoCI)	6
	=====

**Defined benefit costs recognised in other comprehensive income**

	Period ended 31 March 2022 £'000s
Experience on plan assets (excluding amounts included in net interest costs) – gain/(loss)	8
Experience gains and losses arising on the plan liabilities – gain/(loss)	(35)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	(5)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations – gain/(loss)	136
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain/(loss)	104
Total amount recognises in other comprehensive income – gain/(loss)	104
	=====

**RUCHAZIE HOUSING ASSOCIATION LIMITED**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 31 March 2022**

**22. Retirement Benefit Obligations (continued)**

**Review of historic scheme benefit changes**

In May 2021 the Scheme Trustee (TPT Retirement Solutions) notified employers of a review of historic scheme benefit changes, and this review has raised legal questions regarding whether and when some historic benefit changes should take effect, the outcome of which could give rise to an increase in liabilities for some employers. The Scheme Trustee has determined that it is prudent to seek clarification from the Court on these items. This process is ongoing, and the matter is unlikely to be resolved before late 2024 at the earliest.

On 4 May 2022 the Scheme Trustee issued an update to employers which included an estimate of the potential total additional liabilities at total scheme level, on a Technical Provisions basis. However, until Court directions are received, it is not possible to calculate the impact of this issue on an individual employer basis with any accuracy. As a result of this no allowance will be made for this within the accounting disclosures included in this note.

**23. Capital commitments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Expenditure contracted but not provided for in accounts	-	-
	=====	=====

