

Registered Social Landlord Number 311
Registered Charity Number SC028542
Registered Charitable Company Limited by Guarantee Number SC188299

HOMES FOR LIFE HOUSING PARTNERSHIP

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2023

HOMES FOR LIFE HOUSING PARTNERSHIP

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2023

	Page
Members, Executives and Advisers	1
Strategic Report	2-4
Report of the Board of Directors	5-6
Independent Auditor's Report	7-11
Report of the Auditor on Corporate Governance Matters	12
Statement of Comprehensive Income	13
Statement of Financial Position	14
Statement of Changes in Reserves	15
Statement of Cash Flows	16
Accounting Policies and Notes to the Financial Statements	17-34

HOMES FOR LIFE HOUSING PARTNERSHIP

MEMBERS, EXECUTIVES and ADVISERS

Directors

Jamila Greig (Chair)
Olga Krasteva (Vice chair)
David Rose
Gordon Leitch
D Graeme MacGregor
Donna Wight
Sarah Steel (resigned 31/8/22)
Craig Russell
Donna McComb (resigned 17/7/23)
Sarah Mackie (resigned 21/10/22)
Neil MacDonald
Rob Hughes (appointed 10/8/23)

Executive Officer

Gill Binnie (Chief Executive Officer)
Wendy McCracken (Interim Business Manager and Company Secretary from May 2021 – June 2023)

Registered Office

Tolbooth Gate
57 Market Street
Haddington
East Lothian EH41 3JG

Bankers

The Royal Bank of Scotland plc
32 Court Street
Haddington EH41 3NS

Solicitors

Addleshaw Goddard (Corporate matters)
Exchange Tower
19 Canning Street
Edinburgh EH3 8EH

T C Young (Governance Matters)
7 West George Street
Glasgow
G2 1BA

T C Young (Tenancy matters)
69a George Street
Edinburgh EH2 2JG

External Auditor

French Duncan LLP
133 Finnieston Street
Glasgow
G3 8HB

Internal Auditor

Quinn Internal Audit
55 Lady Place
Livingston EH54 6TB

HOMES FOR LIFE HOUSING PARTNERSHIP

STRATEGIC REPORT (continued)

For the year ended 31 March 2023

Fixed Assets (continued)

Changes in respect of housing properties, resulting from transactions during the year, are detailed in note 13.

As of the 1 of August 2023, all HfL properties meet the Scottish Housing Quality Standard with the exception of 6 that are classed as fails due to the requirements of EESSH. We are currently investigating alternative options with 3 properties with plans in place to be brought up to the required standard via funding and the rest having proposals under discussion. As of the 1st of August 2023, all HfL properties have a fully compliant LD2 heat and smoke detection system in place.

Our three year Planned Maintenance Programme has been scoped with some works already underway and others at the tender stage. These upgrades include a major painting programme along with kitchen and bathroom replacements due to start in the autumn.

Structure and Governance

HfL is a housing partnership created in July 1998 under the Scottish Government's New Housing Partnerships initiative, by founding members East Lothian Council and East Lothian Housing Association Limited. Membership also includes tenants and other interested parties. Under the initiative, the company secured revenue support funding and capital funding for development projects in the form of grants from East Lothian Council.

At a Special General Meeting in September 2022 Member approved new Articles of Association to bring them into line with SFHA Model Rules.

HfL is limited by guarantee and is recognised as a charity. It does not trade for profit and is prohibited from making distributions to its members. HfL is registered as a Registered Social Landlord with the Scottish Housing Regulator and is required to prepare financial statements in accordance with the Scottish Housing Regulator's Determination of Accounting Requirements (2019): Regulatory Guidance and the Companies Act 2006.

For the ongoing management of 11 homes sold on a Shared Equity basis, the Company is registered as a property Factor (PF0000219) for common maintenance and as a Credit provider (724055) for equity loans. There was one buy-back of a shared-equity property in 2022 and this is included in the transactions during the year.

Risks and Uncertainties

The Board approved a Risk Management Strategy in 2021, and a new Risk Map was produced on this basis. The Risk Map is reviewed regularly Board meetings to ensure that the key risks are identified and mitigated where possible. The current high risks areas identified are rent levels and economic changes.

Future Plans

The key objectives for the coming year as outlined in the Business Plan are to invest in services, homes, people and the future.

Building on the work already in place we will take forward services through the Tenants Panel and Tenant Scrutiny Programme informed by the gathered equalities data as well as finalising the review of all HfL Governance and Service Delivery Policies and Procedures. We will explore opportunities for new service models and engage with ELC to assist in the delivery of the Rapid Rehousing Transition Plan.

HOMES FOR LIFE HOUSING PARTNERSHIP

STRATEGIC REPORT (continued)

For the year ended 31 March 2023

Future Plans (continued)

We will procure for year 1 and 2 of the Planned Maintenance programme then carry out a review of the requirements of the business plan as well as reviewing the Asset Management Strategy, in line with new CIH Guidance.

A review of the organisational structure will be carried out by our new Chief Executive with a staged plan to implement approved changes. Professional standards will be enhanced by the team completing the CIH standards appropriate to their role.


To invest in the future, we will participate in delivery of East Lothian Council's Strategic Housing Investment Programme. We will commence new build development activity and deliver mid-market rental provision attracting developers funding packages and S75's for tenure neutral developments.

Financial and non-financial key performance indicators

HfL participates in the Scottish Housing Network benchmarking club. The Board review performance quarterly and benchmark annually against averages for all Registered Social Landlords, a peer group of other smaller scale Registered Social Landlords, as well as against other local Registered Social Landlords. During the year, the final loan payment was made and therefore, there are no loan covenants now in place.

Financial Key Performance Indicators	2023	2022
Gearing %	0.00	3.11
Quick Ratio	21.38	4.50
Net Surplus %	40.00	28.00
Arrears %	0.62	0.68

BY ORDER OF THE BOARD


..... Gill Binnie
Secretary

Date: 30/08/23

HOMES FOR LIFE HOUSING PARTNERSHIP

REPORT of the BOARD of DIRECTORS

For the year ended 31 March 2023

The directors and executive officer of the company who served during the year and up to the date these accounts were approved are listed on page 1.

Related Party Transactions

Five of the company's directors are tenant directors. Tenant directors must comply with the same regulations as non-director tenants and do not receive favourable terms or discounted rents.

One director is also on the Boards of East Lothian Housing Association Limited (ELHA) and Employers in Voluntary Housing Limited (EVH), and also carries out duties on behalf of Rural & Islands Housing Associations Forum (RIHAF) of the Scottish Federation of Housing Associations (SFHA).

Transactions with tenant directors and other related parties are disclosed at note 29.

Statement of Board of Directors' Responsibilities

Housing Association legislation requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for the year ended on that date. In preparing those financial statements the Board are required to:

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

The Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company.

The Board are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement on Internal Financial Control

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

1. The reliability of financial information used within the company or provided for external users;
2. The maintenance of proper accounting records; and
3. The safeguarding of assets against unauthorised use or disposition.

Such systems of internal financial control can only provide reasonable and not absolute assurance against material misstatement or loss.

Key procedures, which the Board has established and which are designed to provide effective financial control, include the following:

1. Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of financial controls and restrict the unauthorised use of the company's assets;

HOMES FOR LIFE HOUSING PARTNERSHIP

REPORT of the BOARD of DIRECTORS

For the year ended 31 March 2023

Statement on Internal Financial Control (continued)

2. Experienced 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 Board of Directors and Executive Officer to monitor the key business risks, financial objectives and the progress being made towards achieving plans set for the year and for the medium term;
4. Management accounts are prepared regularly, providing relevant, reliable and up-to-date financial and other information, with significant variances from budget being investigated as appropriate;
5. All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Directors;
6. The Board receives an annual report from the external auditor who reviews and tests the system of internal financial control only to the extent necessary to express their audit opinion;
7. The Board receives an annual report from the internal auditor as part of an agreed audit plan; and
8. Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external reports, including for delegation of preliminary consideration of reports and action by an Audit and Risk Committee.

The Board confirms that it has reviewed the effectiveness of the company's system of internal financial control as it operated during the year ended 31 March 2023. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties that require disclosure in the financial statements or in the auditor's report on the financial statements.

Disclosure of information to the Auditor

To the knowledge and belief of each of the persons who are directors of the Board at the time the report is approved:

- So far as the directors are aware, there is no relevant information of which the company's auditor is unaware; and
- Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant information and to establish that company's auditor is aware of the information.

Auditor

On the 11 May 2023 French Duncan were appointed as HfL's external auditors. A resolution to re-appoint French Duncan LLP (trading as AAB Group) will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD


.....
Chief Executive Officer

Gill Binnie

Date: 30/08/23

HOMES FOR LIFE HOUSING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS

For the year ended 31 March 2023

Opinion

We have audited the financial statements of Homes for Life Housing Partnership for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Changes in Capital and Reserves, the Statement of Financial Position, 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 company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2012 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the Board of Directors' report, other than the financial statements and our Auditor's report thereon. The board members are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

HOMES FOR LIFE HOUSING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS (continued)

For the year ended 31 March 2023

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

Responsibilities of the Board Members

As explained more fully in the Statement of the Board's Responsibilities on page 5 and 6, the Board are 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 Board 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 Board are responsible for assessing the company'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 board of directors either intend to liquidate the company 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.

HOMES FOR LIFE HOUSING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS (continued)

For the year ended 31 March 2023

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.
- Conclude on the appropriateness of the board members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management and the Board, and from our sector knowledge;

HOMES FOR LIFE HOUSING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS (continued)

For the year ended 31 March 2023

The extent to which the audit was considered capable of detecting irregularities including fraud (continued)

- we focused on specific laws and regulations, including those specified by the Scottish Housing Regulator, which we considered may have a direct material effect on the financial statements or the operations of the company, including the Co-operative and Community Benefits Societies Act 2014, Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice for Social Housing Providers 2018 and Determination of Housing Requirements 2019, and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and the board as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed high level analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing internal audit reports prepared during the year;
- enquiring of management and the Board as to actual and potential litigation and claims; and
- inspecting any legal invoices; and
- reviewing correspondence with Scottish Housing Regulator.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

HOMES FOR LIFE HOUSING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS (continued)

For the year ended 31 March 2023

The extent to which the audit was considered capable of detecting irregularities including fraud (continued)

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the company'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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

French Duncan LLP

French Duncan LLP
Chartered Accountants and Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

Date: 4/9/23.....

HOMES FOR LIFE HOUSING PARTNERSHIP

REPORT OF THE AUDITOR TO THE BOARD OF DIRECTORS OF HOMES FOR LIFE HOUSING PARTNERSHIP ON CORPORATE GOVERNANCE MATTERS

For the year ended 31 March 2023

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 5-6 concerning the Company'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 to the requirements to corporate governance matters within Bulletin 2009/4 issued by the Financial Reporting Council. The bulletin does not require us to review the effectiveness of the Company'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 5-6 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.

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

French Duncan LLP

For and on behalf of French Duncan LLP
Chartered Accountants and Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

Date: 4/9/23

HOMES FOR LIFE HOUSING PARTNERSHIP**STATEMENT of COMPREHENSIVE INCOME****For the year ended 31 March 2023**

	Notes	31 March 2023 £	31 March 2022 £
Turnover	4	1,809,943	1,725,473
Less: Operating expenditure	4	(1,555,557)	(1,697,811)
Operating surplus	4	254,386	27,662
Interest receivable and other income	10	8,240	1,718
Interest and financing costs	11	(23,085)	(46,370)
Surplus/(deficit) before taxation		239,541	(16,990)
Taxation	12	-	-
Surplus/(deficit) for the year		239,541	(16,990)
Other comprehensive income			
Actuarial (loss)/gain in respect of pension schemes	23	(32,000)	359,000
Total comprehensive income for the year		207,541	342,010

The results for the year relate wholly to continuing activities.

The financial statements were authorised for issue by the Board of Directors on 30/08/23 and were signed on its behalf by:

Jamila Greig
.....
Chairperson

Jamila Greig

Gill Binnie
.....
Chief Executive Officer

Gill Binnie

Craig Russell
.....
Board Member

Craig Russell

Neil Macdonald

The notes on pages 17 to 34 form part of these financial statements.

HOMES FOR LIFE HOUSING PARTNERSHIP**STATEMENT of FINANCIAL POSITION****As at 31 March 2023**

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets – social housing	13	10,635,546	10,793,868
Tangible assets – property, plant and equipment	14	110,282	84,136
Investments	16	2	2
		-----	-----
		10,745,830	10,878,006
		-----	-----
Current assets			
Trade and other debtors	17	46,299	111,540
Cash and cash equivalents	18	1,539,595	1,793,685
Term deposits	19	609,927	608,627
		-----	-----
		2,195,821	2,513,852
Less: Creditors falling due within one year	20	(358,922)	(815,317)
		-----	-----
Net current assets		1,836,899	1,698,535
		-----	-----
Total assets less current liabilities		12,582,729	12,576,541
		-----	-----
Creditors: amounts falling due after more than one year	21	-	(33,133)
Deferred capital grants	22	(7,297,822)	(7,554,042)
Pension liability	23	-	88,000
		-----	-----
Net assets		5,284,907	5,077,366
		=====	=====
Reserves			
General reserve	24	5,284,907	4,989,366
Pension reserve	23	-	88,000
		-----	-----
		5,284,907	5,077,366
		=====	=====

The financial statements were authorised for issue by the Board of Directors on 30/08/23 and were signed on its behalf by:

Jamila Greig
Chairperson

Jamila Greig

Gill Binnie
Chief Executive Officer

Gill Binnie

Neil Macdonald
Board Member

Craig Russell

Neil Macdonald

The notes on pages 17 to 34 form part of these financial statements.

HOMES FOR LIFE HOUSING PARTNERSHIP**STATEMENT of CHANGES in RESERVES****For the year ended 31 March 2023**

	General Reserve £	Pension Reserve £	Total £
Balance as at 1 April 2022	4,989,366	88,000	5,077,366
Surplus for the year	239,541	-	239,541
Other comprehensive income	-	(32,000)	(32,000)
Net transfers during the year	56,000	(56,000)	-
Balance at 31 March 2023	<u>5,284,907</u> =====	<u>-</u> =====	<u>5,284,907</u> =====

STATEMENT of CHANGES in RESERVES**For the year ended 31 March 2022**

	General Reserve £	Pension Reserve £	Total £
Balance as at 1 April 2021	4,932,356	(197,000)	4,735,356
(Deficit) for the year	(16,990)	-	(16,990)
Other comprehensive income	-	359,000	359,000
Net transfers during the year	74,000	(74,000)	-
Balance at 31 March 2022	<u>4,989,366</u> =====	<u>88,000</u> =====	<u>5,077,366</u> =====

The notes on pages 17 to 34 form part of these financial statements.

HOMES FOR LIFE HOUSING PARTNERSHIP

STATEMENT of CASH FLOWS

For the year ended 31 March 2023

	Notes	2023 £	2022 £
Net cash generated from operating activities	25	476,123	264,107
Cashflow from investing activities			
Purchase of tangible fixed assets		(313,816)	(71,940)
(Increase) in deposits with banks		(1,300)	(30)
Interest received		8,240	1,718
Cashflow from financing activities			
Interest paid		(22,085)	(41,370)
Repayment of borrowings		(401,252)	(348,911)
Net change in cash and cash equivalents		(254,090)	(196,426)
		=====	=====
Cash and cash equivalents at the beginning of the year	18	1,793,685	1,990,111
Cash and cash equivalents at the end of the year	18	1,539,595	1,793,685
		(254,090)	(196,426)
		=====	=====

Analysis of changes in net debt

	2022 £	Cash flows £	Other changes £	2023 £
Long-term borrowing	33,133	(33,133)	-	-
Short-term borrowing	368,119	(368,119)	-	-
Total liabilities	401,252	(401,252)	-	-
Cash and cash equivalents	(1,793,685)	254,090	-	(1,539,595)
Term deposits	(608,627)	(1,300)	-	(609,927)
Total net debt	(2,001,060)	(148,462)	-	(2,149,522)
	=====	=====	=====	=====

The notes on pages 17 to 34 form part of these financial statements.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. General Information

These financial statements are stated in Pounds Sterling (GBP), as that is the currency (which the majority of) the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 March 2023. Except where otherwise stated all financial information is presented in GBP.

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018.

The preparation of these financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The company is defined as a public benefit entity and thus the company complies with all disclosure requirements relating to public benefit entities. The company is a registered social landlord in Scotland and its registered number is 311. The company is a private company limited by guarantee and incorporated in the United Kingdom and registered in Scotland. The company's registered number is SC188299. The registered address is included on page 1 of these financial statements.

2. Accounting policies

(a) Accounting convention

The financial statements are prepared under the historical cost basis of accounting and in accordance with applicable standards. The accounting policies of the company are set out in paragraphs (d) to (u) below.

(b) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. The effect of events relating to the year ended 31 March 2023, which occurred before the date of approval of the financial statements have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2023 and of the results for the year ended on that date.

(c) Going concern

The company is budgeted to make a deficit for the year ended 31 March 2023 however has a healthy bank balance, a strong asset base, and has no liquidity issues. On this basis the directors are of the opinion that the company will continue to meet its obligations as they fall due for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

2. Accounting policies (continued)

(d) Turnover

Turnover represents rental income and fees from tenants and revenue based grants received from The Scottish Government. The company has no shared-ownership properties and consequently all income relates to properties wholly-owned by the company.

(e) Apportionment of management expenses

Management and administration expenses are apportioned based on the units held within each sub-type.

(f) Repairs and maintenance costs

Costs for reactive and planned maintenance are charged to the Statement of Comprehensive Income as they are incurred. Property improvements are capitalised, if these are material in nature and can give rise to additional income or cost savings. These capitalised improvements are subsequently written off in line with the company's fixed asset policy.

(g) Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income using the effective interest rate method.

(h) Interest payable

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

(i) Designated reserves – planned maintenance reserves

The company maintains its housing properties in a state of repair which at least maintains their residual value in prices prevailing at either the time of acquisition or construction. Provision is made for such future major repairs based on planned maintenance programme requirement for the next three years.

(j) Grants

Capital

New Housing Partnership Grants (NHP) were made by East Lothian Council and were utilised to reduce the amount of loans required in respect of an approved scheme.

For schemes developed with NHP the grant was paid directly to the company as required to meet its liabilities during the development process.

Capital grants in respect of property development are applied in the following order:

- Land;
- Structure;
- With any remaining balance being allocated as "unapplied grants".

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

2. Accounting policies (continued)

(j) Grants (continued)

Capital grants applied to land and structure are amortised at 2% per annum. Other components have various useful lives and to apportion grants to these components would not reflect that grants are not repayable except under disposal of the entire property. Unapplied grants are therefore amortised on a straight line basis at 2% per annum in line with the main structure.

Revenue

Revenue grants are credited to income in the appropriate period to match related expenditure.

(k) Fixed assets – Housing Properties

Housing properties are stated at cost, less accumulated depreciation. The development cost of housing properties includes:

- Cost of acquiring land and buildings
- Development expenditure including administration costs.

(l) Depreciation

Depreciation is charged on tangible fixed assets so as to write off the asset cost less any recoverable value on a straight line basis over its anticipated useful life as follows:

	Useful Economic Life
Office premises	30 years
Office furniture and equipment	3 years

Each housing unit has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected useful economic useful life. The following major components and useful lives have been identified by the company:

Housing properties (by component):

• Land	Infinite
• Structure	50 years
• Roof	50 years
• Kitchens	15 years
• External doors and windows	25 years
• Bathrooms and WCs	20 years
• Electrics	25 years
• Boilers	15 years
• Specialist heating, plumbing, ventilation systems	20 years

(m) Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and related parties.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

2. Accounting policies (continued)

(m) Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets are derecognised when contractual rights to the cash flows from the assets expire or when the company has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

(n) Debtors

Short term debtors are measured at transaction price, less any impairment.

(o) Rental arrears

Rental arrears represent amounts due by tenants for rental of social housing properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in Note 17.

(p) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(q) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(r) Pensions

The company participates in a defined benefit scheme in respect of its employees. The assets of the scheme are held by the Lothian Pension Fund.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

2. Accounting policies (continued)

(r) Pensions (continued)

In accordance with "FRS 102 s28 – Employee Benefits", the operating and financing costs of pension and post retirement schemes (determined by a qualified actuary) are recognised separately in the Statement of Comprehensive Income. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise.

The differences between actual and expected returns on assets during the year and changes in the actuarial assumptions are recognised in the Statement of Comprehensive Income.

(s) Financial commitments

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

(t) Consolidation

The company has taken advantage of the exemption provided in section 402 of the Companies Act 2006 not to prepare group financial statements and accordingly these financial statements present information about the company as a single undertaking (see note 16).

(u) VAT

The company is not registered for VAT purposes and all expenses are shown inclusive of VAT.

3. Judgements in applying policies and key sources of uncertainty

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.

The directors consider the following to be critical judgements in preparing the financial statements:

- The categorisation of housing as property, plant and equipment in line with the requirements of the SORP.
- The amount disclosed as 'operating profit' is representative of activities that would normally be regarded as 'operating'; and
- The identification of a cash generating unit for impairment purposes.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

3. Judgements in applying policies and key sources of uncertainty (continued)

The Board are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate	Basis of estimation
Useful lives of property, plant and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management, with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior members of staff on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into accounts.
The obligations under the Lothian Pension Fund	This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate.

4. Particulars of turnover, operating expenditure and operating surplus

	2023			2022		
	Turnover	Operating Expenditure	Operating Surplus	Turnover	Operating Expenditure	Operating Surplus
	£	£	£	£	£	£
Affordable lettings (note 5)	1,757,271	1,522,246	235,025	1,716,165	1,697,811	18,354
Other activities (note 6)	52,672	33,311	19,361	9,308	-	9,308
	-----	-----	-----	-----	-----	-----
	1,809,943	1,555,557	254,386	1,725,473	1,697,811	27,662
	=====	=====	=====	=====	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

5. Particulars of turnover, operating expenditure and operating surplus from affordable letting activities

	General Needs Housing £	Supported Housing Accomm'n £	Other (Respite Unit) £	2023 Total £	2022 Total £
Income from rent and service charges					
Rent receivable net of service charge	1,437,209	42,610	23,965	1,503,784	1,470,426
Service charge	-	-	-	-	-
Gross income from rents and service charges	1,437,209	42,610	23,965	1,503,784	1,470,426
<u>Less: Voids</u>	(9,417)	-	-	(9,417)	(24,536)
Net income from rents and service charges	1,427,792	42,610	23,965	1,494,367	1,445,890
Adaptable grants	6,684	-	-	6,684	14,055
Release of deferred capital grant	244,650	8,579	2,991	256,220	256,220
Total turnover from social letting activities	1,679,126	51,189	26,956	1,757,271	1,716,165
Expenditure					
Management and maintenance administration costs	810,334	16,370	2,728	829,432	912,637
Planned cyclical maintenance including major repairs	124,411	1,347	180	125,938	209,189
Reactive maintenance costs	136,458	1,898	2,055	140,411	161,617
Bad debts – rents and service charges	1,744	-	-	1,744	(4,537)
Depreciation of social housing	410,300	11,523	2,898	424,721	418,905
Operating expenditure for social letting activities	1,483,247	31,138	7,861	1,522,246	1,697,811
Operating surplus on letting activities, 2023	195,879	20,051	19,095	235,025	
Operating surplus on letting activities, 2022	(17,555)	16,655	19,254		18,354

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

6. Particulars of turnover, operating expenditure and operating surplus form other activities

	2023			2022		
	Other Income £	Other Operating Expenditure £	Operating Surplus £	Other Income £	Other Operating Expenditure £	Operating Surplus £
Factoring activity	-	-	-	52	-	52
Other income	52,672	33,311	19,361	9,256	-	9,256
	-----	-----	-----	-----	-----	-----
	52,672	33,311	19,361	9,308	-	9,308
	=====	=====	=====	=====	=====	=====

7. Staff costs

	2023 £	2022 £
Wages and salaries	264,360	326,904
Social security costs	23,328	23,828
Pension costs – contributions rate 23.1% (2022: 23.2%)	57,958	60,376
Pension adjustment (note 23)	55,000	69,000
	-----	-----
	400,646	480,108
	=====	=====

Included in wages and salaries are redundancy payments totalling nil in the year (2022: £76,695).

	2023 No.	2022 No.
Administration staff	7	7
Wardens and cleaners	1	1
	=====	=====
The average number of full time equivalent employees during the year was:	6	6
	=====	=====

8. Directors' emoluments

The directors are defined as Board members and did not receive any remuneration or accrue any retirement benefits during the year. During the year, Board members were reimbursed £100 (2022: £154) for travel and subsistence expenses in respect of attendance at Board meetings and training sessions. Board members include tenant directors who must comply with the same regulations as non-director tenants. The company considers key management personnel to be the business manager, the interim manager and the directors of the company. The emoluments of key management for the year were £95,058 (2022: £165,536). The employers' NI contributions for the year were £2,789 (2022: £8,135) and the pension contributions for the year were £5,220 (2022: £12,739).

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

8. Directors' emoluments (continued)	2023	2022
	£	£
Emoluments (excluding pension contributions) of:		
Business manager and company secretary	26,525	79,911
Pension contributions	5,220	12,739
	-----	-----
	31,745	92,650
	=====	=====

Other staff members reporting directly to the Board did not receive emoluments (excluding employer's pension contributions) exceeding £60,000 per annum.

9. Operating surplus	2023	2022
	£	£
Operating surplus is stated after charging:		
Depreciation – housing	424,721	418,905
Depreciation – other assets	21,271	16,001
Amortised capital grants	256,220	256,220
Auditor's remuneration		
- In their capacity as auditor	12,000	12,600
- In respect of other services	-	-
	=====	=====

10. Interest receivable and other income	2023	2022
	£	£
Interest receivable on deposits	8,240	1,718
	=====	=====

11. Interest and financing costs	2023	2022
	£	£
Loan interest payable	22,085	41,370
Interest on defined benefit pension scheme	1,000	5,000
	-----	-----
	23,085	46,370
	=====	=====

12. Taxation

The company is recognised by HM Revenue & Customs as a charity and no charge for taxation arises on the results for the year.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

13. Tangible fixed assets – social housing	Housing
Cost	Properties
	Held for
	Letting
	£
As at 1 April 2022	18,251,515
Additions during the year – replacement components	266,399
Disposals	(93,383)

At 31 March 2023	18,424,531

Depreciation	
As at 1 April 2022	7,457,647
Charge for the year	416,473
Released on disposals during the year – replacement components	(85,135)

At 31 March 2023	7,788,985

Net book value	
At 31 March 2023	10,635,546
	=====
At 31 March 2022	10,793,868
	=====

None of these properties are held under lease.

The net book value of components which have been replaced in the year of £8,248 (2022: £1,970) is included in the depreciation charge of £424,721 (2022: £418,905) in notes 5 and 9.

Included in freehold housing properties is land with a historic cost allocation of £2,025,949 (2022: £2,025,949).

14. Tangible fixed assets – property, plant and equipment	Heritable	Office	Total
Cost	Property	Equipment	£
	£	£	£
As at 1 April 2022	168,999	85,257	254,256
Additions	44,697	2,720	47,417
	-----	-----	-----
As at 31 March 2023	213,696	87,977	301,673
	-----	-----	-----
Depreciation			
As at 1 April 2022	118,726	51,394	170,120
Charge for the year	5,627	15,644	21,271
	-----	-----	-----
At 31 March 2023	124,353	67,038	191,391
	-----	-----	-----
Net book value			
At 31 March 2023	89,343	20,939	110,282
	=====	=====	=====
At 31 March 2022	50,273	33,863	84,136
	=====	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

15. Property stock

The number of units of accommodation owned by the company was as follows:

	Units in Management	
	2023 No.	2022 No.
Unimproved		-
New build	268	267
Improved	27	27
	-----	-----
General Needs Housing	295	294
	-----	-----
Other (Respite Unit)	1	1
Supported housing accommodation	9	9
	-----	-----
Total housing stock	305	304
	=====	=====
Other property		
Commercial property held for letting	-	-
	-----	-----
Total property	305	304
	=====	=====

16. Investments

	2023 £	2022 £
Investment in subsidiary undertaking	2	2
	=====	=====

The investment represents 100% of the ordinary share capital of Homes for Life Developments Limited, which is incorporated in the United Kingdom and registered in Scotland. The company was dormant throughout the year. The directors consider that the value of the unlisted investments is not materially different from cost.

The aggregate equity and reserves as at 31 March 2023 for Homes for Life Developments was as follows:

	2023 £	2022 £
Aggregate equity and reserves	2	2
	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

17. Trade and other receivables	2023	2022
	£	£
Rental debtors	14,290	14,274
<u>Less: Provision for bad debts</u>	<u>(4,999)</u>	<u>(4,306)</u>
	-----	-----
	9,291	9,968
Other debtors	16,346	24,420
Prepayments and accrued income	20,662	77,152
	-----	-----
	46,299	111,540
	=====	=====
18. Cash and cash equivalents	2023	2022
	£	£
Balance held in current accounts	1,539,595	1,793,685
	=====	=====
	As at	As at
	1 April	31 March
19. Term deposits	2022	2023
	£	£
	Movement	
	in year	
Fixed term deposits	608,627	1,300
	-----	-----
	609,927	-----
	=====	=====
20. Creditors: amounts falling due within one year	2023	2022
	£	£
Housing loans	-	368,119
Accruals	51,910	136,217
Other creditors	4,380	13,913
Pension creditor	7,089	5,316
Rent in advance	30,112	29,832
Other taxes and social security	9,211	5,700
Deferred capital grants (note 22)	256,220	256,220
	-----	-----
	358,922	815,317
	=====	=====

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

21. Creditors: amounts falling due after more than one year	2023	2022
	£	£
Housing loans	-	33,133
	=====	=====
Loans are due within the following periods:		
Loans due between 1 and 2 years	-	33,133
Loans due between 2 and 5 years	-	-
Loans due after 5 years	-	-
	-----	-----
	-	33,133
	=====	=====

The loan was fully repaid on the 27th of March 2023.

22. Deferred capital grants	Housing Properties Held for Letting £	Non Housing Properties £	Total £
Year ended 31 March 2023			
At 1 April 2022	7,801,262	9,000	7,810,262
Amortised in year	(255,220)	(1,000)	(256,220)
	-----	-----	-----
At 31 March 2023	7,546,042	8,000	7,554,042
	=====	=====	=====
Deferred capital grants due for release within one year	255,220	1,000	256,220
Deferred capital grants due for release after one year	7,290,822	7,000	7,297,822
	-----	-----	-----
	7,546,042	8,000	7,554,042
	=====	=====	=====
Year ended 31 March 2022			
At 1 April 2021	8,056,482	10,000	8,066,482
Amortised in year	(255,220)	(1,000)	(256,220)
	-----	-----	-----
At 31 March 2022	7,801,262	9,000	7,810,262
	=====	=====	=====
Deferred capital grants due for release within one year	255,220	1,000	256,220
Deferred capital grants due for release after one year	7,546,042	8,000	7,554,042
	-----	-----	-----
	7,801,262	9,000	7,810,262
	=====	=====	=====

Grants received totalled £12,546,602; the above £7,546,042 represents the unamortised balance at 31 March 2023. Grants are repayable in certain circumstances primarily following the sale of the related property. A contingent liability of £5,000,560 exists in respect of the amortised amount of the grants.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

23. Pensions

Defined benefit scheme – Lothian Pension Fund

The company participates in a defined benefit scheme in the UK that provides pension linked to final salaries. A valuation of the pension fund is carried out triennially. The latest formal valuation of the fund for the purpose of setting employers' actual contributions was as at 31 March 2023.

Liabilities are valued on an actuarial basis using the projected unit credit method which assesses the future liabilities of the fund discounted to their present value. The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

The principal actuarial assumptions used by the actuary for the purposes of the FRS 102 valuation at each year end are as follows:

	31 March 2023 % pa	31 March 2022 % pa
Pension increase rate (CPI)	2.95	3.20
Salary increase rate	3.45	3.70
Discount rate	4.75	2.70
	=====	=====

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2021 model assuming current rates of improvement have peaked and will converge to a long term rate of 1.5% per annum. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	19.9 years	22.9 years
Future pensioners	21.2 years	24.7 years

	31 March 2023 %	31 March 2022 %
The major categories of plan assets as a percentage of total plan assets:		
Equities	72	71
Bonds	15	13
Property	8	6
Cash	5	10
	=====	=====

The company does not have a past service deficit as such deficit recovery payments are not required.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

23. Pensions (continued)

Changes in the fair value of plan assets, defined benefit obligations and net liability for year end 31 March 2023 are as follows:

	Assets £(000)	Obligations £(000)	Net (liability)/ asset 2023 £(000)	Net Position March 2022 £(000)
Fair value of plan assets	2,374	-	2,374	2,096
Present value of funded liabilities	-	(2,286)	(2,286)	(2,293)
Opening position as at 31 March 2022	2,374	(2,286)	88	(197)
Service cost				
Current service cost	-	(115)	(115)	(127)
Past service cost (including curtailments)	-	-	-	-
Effect of settlements	-	-	-	-
Total service cost	-	115	115	(127)
Net interest				
Interest income on plan assets	64	-	64	42
Interest cost on defined benefit obligation	-	(63)	(63)	(47)
Total net interest	64	(63)	(1)	(5)
Total defined benefit cost recognised in surplus or (deficit)	64	(178)	(114)	(132)
Cashflows				
Plan participants' contributions	17	(17)	-	-
Employer contributions	58	-	58	58
Benefits paid	(46)	(46)	-	-
Expected closing position	2,467	(2,435)	32	(271)
Carried over	2,467	(2,435)	32	(271)

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

	Assets	Obligations	Net (liability)/ asset 2023	Net Position March 2022
	£(000)	£(000)	£(000)	£(000)
23. Pensions (continued)				
Brought over	2,467	(2,435)	32	(271)
Remeasurements				
Changes in demographic assumptions	-	15	15	154
Changes in financial assumptions	-	880	880	12
Other experience	-	(100)	(100)	(3)
Return on assets excluding amounts included in net interest	(12)	-	(12)	196
Derecognition of prior year surplus	(88)	-	(88)	-
Amounts not recognised in statement of financial position	(727)	-	(727)	-
Total remeasurements recognised in other comprehensive income (OCI)	(827)	795	(32)	359
Fair value of plan assets	1,640		1,640	2,374
Present value of funded liabilities		(1,640)	(1,640)	(2,286)
Closing position as at 31 March 2023	1,640	(1,640)	-	88

Upon exit from the pension scheme, there is a possibility of a cash refund being paid to Homes for Life based on its surplus at that time, however, as it does not intend to exit from the scheme, and as it is not possible for the employer to receive a refund of contributions or a one-off payment of any surplus while it is active as an employer, and as there will be no reduction of future contributions, the surplus in the scheme has not been recognised in the statement of financial position.

	General Reserve	Designated Reserve (Planned Maintenance)	Total
	£	£	£
24. General reserve			
Balance as at 1 April 2022	4,630,976	358,390	4,989,366
(Deficit)/surplus for the year	239,541	-	239,541
Transfer to/(from) designated reserves	-	-	-
Net transfer from pension reserve	56,000	-	56,000
Balance at 31 March 2023	4,926,517	358,390	5,284,907

The general reserve includes all current and prior year retained surpluses or deficits. Included within the general reserve is an amount that has been designated to cover the next three years revenue planned maintenance program.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

25. Net cash flow from operating activities	2023	2022
	£	£
Surplus/(deficit) for the year	239,541	(16,990)
<i>Adjustment for non-cash items:</i>		
Depreciation tangible fixed assets	437,744	432,935
Carrying amount of tangible fixed asset disposals	8,248	1,970
Pension service costs	56,000	74,000
Decrease/(Increase) in debtors	65,241	(37,280)
(decrease)/increase in creditors	(88,276)	26,040
<i>Adjustment for investing or financing activities:</i>		
Release of deferred capital grants	(256,220)	(256,220)
Interest payable	22,085	41,370
Interest receivable	(8,240)	(1,718)
	-----	-----
Net cash generated from operating activities	476,123	264,107
	=====	=====

26. Capital commitments

There were no capital commitments at 31 March 2023 (2022: £Nil).

27. Revenue commitments

The company's total commitments for rental payments under non-cancellable operating leases at 31 March 2023 and entered into since the year end were as set out below:

	2023	2022
	Other	Other
Operating leases	Leases	Leases
	£	£
Payable within one year	-	306
Payable within two to five years	-	-
	-----	-----
	-	306
	=====	=====

28. Legislative provisions

The company is established under the Companies Act as a charitable company, limited by guarantee. In the event of a winding up each of the members (at 31 March 2023: 157) undertake to contribute an amount not exceeding £1.

HOMES FOR LIFE HOUSING PARTNERSHIP

NOTES to the FINANCIAL STATEMENTS (Continued)

For the year ended 31 March 2023

29. Related parties

The company has directors who are also tenants. The total rent charged in the year relating to tenant directors was £24,252 (2022: £31,496). The total rent arrears relating to tenant directors included within debtors at the year end is £nil (2022: £nil).

As a member of EVH, the company sets its employee terms and conditions based on their guidance. The membership fee for the year ended 31 March 2023 was £2,702 (2022: £2,624) and the company has received other services from EVH during the year costs £4,164 (2022: £11,357).

As a member of SHARE, the company's membership for the year ended 31 March 2023 was £1,100 (2022: £1,100) and the company received other services during the year costing £4,240 (2022: £2,745).

As a member of SFHA, the company's membership for the year ended 31 March 2023 was £2,154 (2022: £2,154) and the company received other services during the year costing £675 (2022: £675).