

ALBYN HOUSING SOCIETY LIMITED
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Registered Housing Association Number 64
Financial Conduct Authority Number 1776 R (S)
Charity Number SC027123

ALBYN HOUSING SOCIETY LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

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Registration Particulars

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014
Scottish Housing Regulator	Registration number – 1776 R (S)
	Housing (Scotland) Act 2010
	Registration number – 64
Charity Number	SC027123

ALBYN HOUSING SOCIETY LIMITED
BOARD, EXECUTIVES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2025

Board

L McInnes
C Patching
I Fosbrooke
C Warner
F Mustarde
S Macleod
C Russell
C Levy
J Bugden
L Holburn
N Owen

Executive Officers

K Morrison
A Martin
M Knight
R Buchanan
L Macleod

Registered Office

98-104 High Street
Invergordon IV18 0DL

Auditor

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

Internal Auditor

Wylie & Bisset
168 Bath Street
Glasgow G2 4TP

Bankers

Royal Bank of Scotland
Fifth Floor, Kirkstane House
139 St Vincent Street
Glasgow G2 5JF

Solicitors

Harper MacLeod LLP
Citypoint 65
Haymarket Terrace
Edinburgh EH12 5HD

ALBYN HOUSING SOCIETY LIMITED
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2025

The Board presents its report and the audited financial statements for the year ended 31 March 2025.

Principal Activities

The principal activity of Albyn Housing Society Limited (“Albyn”) is the development, management and maintenance of housing in the Highlands of Scotland for people in housing need.

Albyn is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society, The Office of the Scottish Charities Regulator (“OSCR”) as a Scottish Charity and the Scottish Housing Regulator as a Registered Social Landlord (“RSL”).

Our Strategic Aims

Our Vision

To maintain and build quality homes, providing excellent customer service and giving opportunities for people and communities to flourish.

Our Strategic Objectives

Albyn has as its Strategic Objectives:

1. **Our homes** - Develop 600 properties across the Business Plan period. Work with partners developing innovative solutions to embed future sustainability and affordability into existing and new homes to improve the customer experience.
2. **Our customers** –Support the welfare of all our customers by providing proactive energy advice, and practical assistance in maintaining a tenancy and to ease cost pressures associated with starting a tenancy thus promoting long-term housing stability. Through targeted support and advocacy, we will help ensure our customers can maintain and enjoy their homes while promoting energy efficiency and long-term customer satisfaction on the services we provide.
3. **Our people** – We will develop and improve recruitment, retention and succession plans. Staff development will be framed around staff and organisational ambition. We will continue to focus on staff engagement, communication and organisational culture to be an ‘employer of choice’ and demonstrate our values.
4. **Our finances and digital inclusion** – We will implement measures to manage the Society’s finances to meet regulatory obligations for affordable rents whilst ensuring that there are sufficient financial resources to meet our day-to-day commitments, business plan objectives and future capital investment needs.

We will successfully implement identified actions to strengthen and enhance our ICT network and data management arrangements and will continue the implementation and exploitation of the CX housing and asset management software to provide improved digital services and efficient and effective processes.

5. **Our partnerships** – We will continue to work with academic partners on the research and development opportunities of our FIT Homes and FIT sense platform, beyond that of social care but also in meeting net zero aspirations.

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FOR THE YEAR ENDED 31 MARCH 2025

Albyn works to the following core values and behaviours:

- Being Caring
- Being Adaptable
- Being Professional

Albyn has three wholly owned subsidiaries. Albyn Enterprises Limited (“AEL”), the objective of which is to undertake activities of a non-charitable nature that will help Albyn to meet its objectives, Highland Residential (Inverness) Limited (“HRL”), the objective of which is to undertake factoring and low-cost home ownership and rental and one dormant entity, Suund Limited, which has been formed for the potential exploitation of innovation and currently remains a dormant company.

AEL will be moved to a non-trading status following the transfer of assets and liabilities to HRL during the 2024/25 financial year.

The table below shows the homes that we manage:

Managed Property Numbers	2025	2024
Tenanted Properties	3,490	3,491
Managed on Behalf of Others	12	14
Shared Ownership Properties	105	108
Properties Leased to HRL for Mid Market Rent	251	239
Total	3,858	3,852

Financial Review

Albyn made a surplus of £475k (2024 - £631k) during the year. The consolidated results of Albyn and its trading subsidiaries, Albyn Enterprises Limited and Highland Residential (Inverness) Limited gave a surplus of £482k (2024 - £620k).

The surplus recorded for the financial year to 31 March 2025 includes charges and actuarial losses and gains to the statement of comprehensive income for the defined benefit pension scheme. The surplus for the year prior to these losses, gains and charges was £394k (2024 - £1,314k) for the Society and £401k (2024 - £1,303k) for the consolidated result of the Society and trading subsidiaries.

The defined benefit liability as at 31 March 2025 is £1,200k (2024 - £1,221k). This has therefore resulted in a reduction in the liability at 31 March 2025 of £21k (2024 - Increase in liability of £708k).

At the end of the financial year, the actuarial assessment of the future liability resulted in an actuarial gain of £81k (2024 - loss of £683k) and other charges to the Statement of Comprehensive Income of £60k (2024 - £25k), arriving at a closing liability at 31 March 2025 of £1,200k (2024 - £1,221k).

Deficit reduction payments have now ceased as advised by the scheme trustees following the last triannual review indicating that further payments are no longer required. However, deficit reduction payments will be reintroduced from April 2026.

Due to the unpredictable nature of the underlying assumptions in calculating the future liability, there is likely to be some volatility in the pension liability at each financial year end.

Albyn has held discussion with its main bankers and as the movement on the liability is a non-cash movement, it does not anticipate there being any adverse impact on the Society's loan covenants.

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The cash surplus generated by Albyn Housing Society in the year continues to be reinvested in homes for our tenants through our new build programme and our investment in the quality of our existing homes.

Albyn remains in a strong financial position; we continue to have a substantial major repair investment programme with work to comply with the Scottish Housing Quality Standards ("SHQS") and the Energy Efficiency Standard for Social Housing ("EESH"), as well as maintaining the quality of our homes. We have budgeted for expenditure on improvements to our homes of £2.5m in the next financial year as our programme meets our own lifecycle replacement requirements and the identified needs of the Stock Condition Survey.

Our ongoing budget for improvements will continue to increase in each year as the delivery of our Asset Management Strategy is realised and the requirements of meeting more stringent environmental and energy efficiency measures becomes clearer.

The Board of Albyn has approved a development programme of around 600 units over the course of the next 5-year planning period. This follows a previous commitment to deliver 500 homes over the same period with the increase in response to the Highlands Housing Challenge. The achievement of this stretching target will depend upon the availability of land, securing private finance at the appropriate time and the continued support from Scottish Government grants through the Affordable Homes Supply programme.

Cash surpluses will continue to be made, subject to our planned major repair programme over the next few years, and we will continue to make efficiency savings in our operational costs wherever possible.

Following the wider economic challenges, we continue to focus on the issues facing our customers in the current economic climate by securing support with the cost of living enabling tenancies to be maintained and for tenants to meet their obligations to housing costs. Our budgets and plans have been prepared to provide support for these challenges whilst maintaining cash flows and meeting key performance indicators.

Development and Performance

This report details developments that have occurred during the year relating to the main activities undertaken by Albyn and how we have performed.

Corporate Governance

Albyn has a Board (detailed on page 15) which is elected by the members of the Society. It is the responsibility of the Board to develop the strategy, setting of policy and overall direction for Albyn. They also monitor the operational activities of Albyn. Board members undertake this work in a voluntary, unpaid capacity.

The Executive Team (listed on page 16) together with the managers have been responsible for delivering the strategy and undertaking the operational activities in line with the agreed policies throughout the year.

The Board monitor the implementation of the Business Plan regularly throughout the year resulting in good progress in meeting our planning objectives. The Board was able to submit its annual assurance statement to The Scottish Housing Regulator in October 2024 which concluded that the Society was compliant with the Regulatory Framework. The Scottish Housing Regulator concurred with this assessment in its annual engagement plan published on 31 March 2025.

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The Regulator continues to classify Albyn as being of “systemic importance”. The Regulator refers to a number of RSLs as ‘systemically important’ because of their stock size, turnover or level of debt or because of their significance within their area of operation. They need to maintain a comprehensive understanding of how our business model operates and the risks we face, so they seek some additional assurance through our regulation plans. It is important to bear in mind that higher levels of regulatory engagement do not therefore mean we are poorly performing.

Operational Review

The new structures for the Customer Services and Assets & Investment teams consisting of delivery teams focusing on Income, Tenancy Sustainment, Operations, and Repair & maintenance team continue to operate well and support the delivery of our plans and objectives.

Our Housing Management System, Civica CX continues to be developed and bring benefits to our operations since its implementation in May 2022. The system provides a platform from which we can meet our strategic objectives for our Customer Experience and build further integration of our systems in accordance with our IT strategic goals.

We continued our focus on our rent collection figures, in light of the ongoing cost of living pressures and its impact on the ability of tenants to meet their rental obligations. We provide access to a tenant support fund to assist those most vulnerable. We have been successful in attracting further grant funding to support tenants in need which has enhanced our ability to maintain tenancies which otherwise may have been at risk.

Our development programme has continued, and we remain committed to the role that Albyn can play in expanding the supply of social and affordable housing in the Scottish Highlands. The declaration of a Housing Challenge by the Highland Council in June 2024 suggests that up to 24,000 new homes will be needed in the area across the next 10 years driven by housing need and the economic opportunities presented by the new Inverness and Cromarty Firth Green Freeport.

As a key delivery partner of affordable housing in the Highlands, the Albyn Board has made plans to expand its commitment to build up to 600 new homes over the next five years to support this collective challenge.

Customer Services Team

High quality customer service is central to the success of our business. Over the last few years, we have been developing new ways to improve our service delivery, both through changes to organisational structures and through building on the successful methods we currently use.

We have continued to develop our Customer Services Team to push day to day decision making through to the front-line staff, enabling them to respond more effectively and efficiently to our customers’ needs. Local initiatives on arrears accounts and new, improved ways of ensuring that our new tenants have the best possible chance of sustaining a successful tenancy have delivered against our objectives for our customers who are living in our homes.

Albyn continues to have an increasing proportion of tenants who are supported with their housing costs. We continue to encourage direct payment of housing related benefits and have improved our direct debit facilities to provide greater flexibility for those wishing to manage their rent payments using this system.

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FOR THE YEAR ENDED 31 MARCH 2025

We are committed to ensuring our tenants have direct input into our service delivery and are continually looking for new ways to enable them to do this. We have developed a number of specialist focus groups where tenants can participate and gain knowledge in areas of interest to them. We have communicated regularly with our tenants providing notification of changes to service delivery and how they can get support for housing needs.

We have surveyed our tenants during the financial year on rent levels. Responses to our surveys have been consistently strong providing valuable information on which to drive further service improvement. Tenants selected a 2.7% increase in rent levels effective from 1 April 2025 to bring back in line our rent levels with recent CPI inflation values.

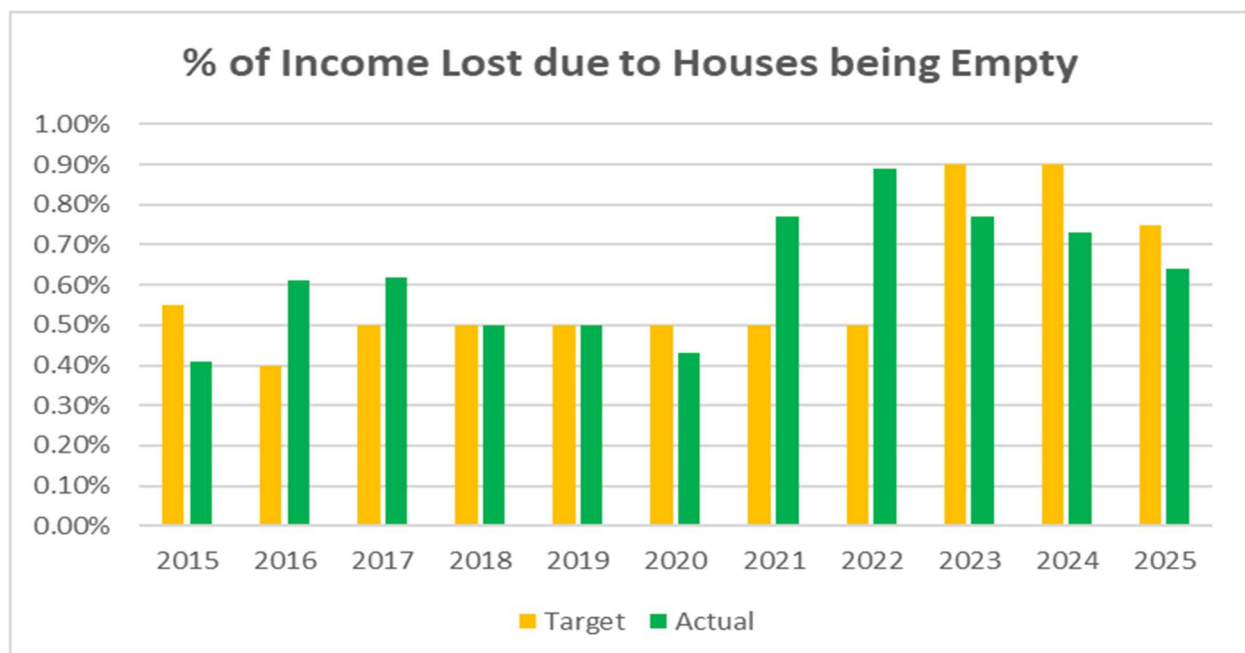
We continued to work in partnership with our tenants to be able to publish a Tenants' Charter Report that delivers the information that matters to them on our performance against the requirements of the Scottish Social Housing Charter in an easy-to-read format.

Allocations

We recognise the importance of allocating houses to new tenants to minimise the cost of empty homes. This urgency supports minimising costs and enables Albyn to maximise its impact to house applicants on the waiting list as quickly as possible. With the on-going development activity both within Albyn and our partner organisations in the Highlands, we re-housed a large number of families in the year.

Families re-homed in the year	2025	2024
Re-lets	232	159
New Build / other Acquisitions	-	96
Total	232	255
Average Days taken to fill an empty home	24	33

The average number of days taken to fill our empty homes reduced in the year as the new teams improved policies and procedures began to see a positive impact. The costs of void periods in the year as a percentage of income was 0.64% (2024 - 0.73%). Current and historic voids performance is set out in the graph below:



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Historically we have found that it takes us longer to allocate homes in Caithness and a handful of developments in the more rural parts of the Highlands. With experienced officers dealing with the homes in these areas, and the Choice Based Lettings initiative implemented, we continue to work hard to keep our lost income as low as possible.

We achieve high levels of satisfaction with the condition of our homes, with 86% (2024 - 86%) of tenants responding to tenancy surveys indicating that they are satisfied with the quality of their home.

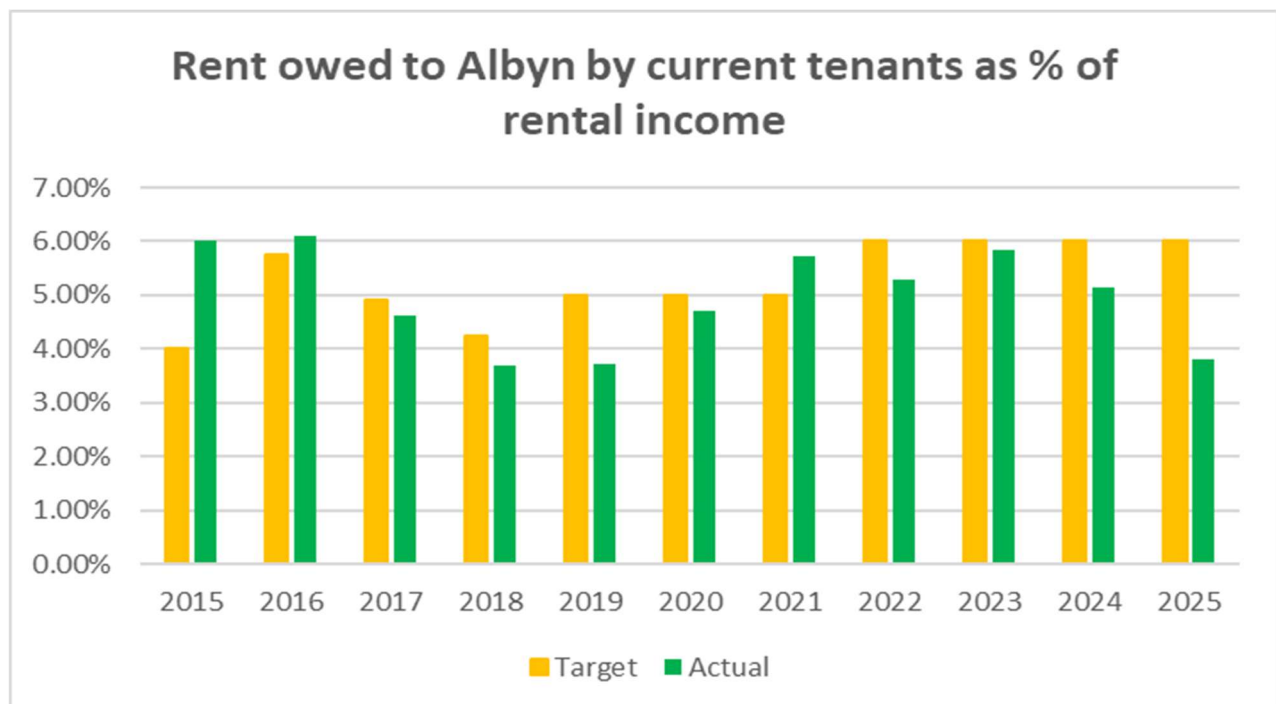
We constantly review the performance of our homes in terms of the amount of money they cost us and how happy our tenants are with them, so that we can be proactive in deciding the future use of our homes.

Rent Arrears

Rent arrears performance has consistently improved over the past few years as we continue to work hard to support tenants to meet their rental obligations during challenging economic circumstances and realise the benefits of our focused income team. We have continued to improve our internal reporting and monitoring processes, maintaining early intervention whilst respecting the importance of sustaining tenancies.

At the end of the year a total of 1,948 tenants (2024 – 1,978) elected to have their housing costs paid directly to their landlord. We continue to encourage tenants to elect for this method of payment of rent as it supports a managed control of housing rental arrears. We are continuing to work in partnership across the Highlands on a number of initiatives with local RSLs and the Highland Council to establish access to support for our tenants who may be struggling with the cost of living.

The graph below details our recent performance on rent arrears for tenants in our homes:



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Tenancy Management

We work in partnership with other local agencies to tackle Anti-Social Behaviour ("ASB") and to manage our estates.

Number of ASB Cases opened in the year		2025	2024
Total		305	313

The number of reported nuisance and anti-social behaviour cases we have to deal with at any one time reduced slightly in the year, although remains a low percentage of all tenancies. It is always worth noting that whilst the ASB cases can be small in numeric terms as a proportion of the overall number of homes we manage, the cases often require a disproportionate amount of time and effort to find a resolution. These cases invariably require close customer liaison and support.

The number of tenancies created in the financial year that were still successfully in place after a year remains high at 92.91% (2024 – 97.98%).

Reactive Repairs

Our performance in Reactive Repairs has seen further improvement in the year as our specialist repairs and maintenance team begins to deliver a positive impact and is detailed in the following table:

Category	Performance Measure	Target	2025	2024
Emergency	Average time to complete	8 hours	4.28 hrs	4.36 hrs
Non-Emergency	Average time to complete	10 days	4.82 days	4.91 days
Right First Time			92.10%	88.20%

The total number of reactive repairs completed during the reporting year was 8,879 (2024 – 7,871). This increase, alongside cost inflation has resulted in a significant increase in reactive repairs costs in the year.

88.54% (2024 – 88.54%) of tenants who returned the satisfaction survey were satisfied with the overall quality of our repairs service.

Communities

Albyn works with tenants and communities to develop innovative solutions to enable people to live in their own homes as long as it is safe for them to do so.

We are continuing to develop our software platform, branded as FIT Home Technology, to assist people to live safely in their homes, as well as working on an innovative design for homes to enable people who are unwell to live at home for as long as is possible, rather than being in bed in hospital.

FIT Homes are part of the Highlands & Islands City Region Deal which commenced in 2017 and will run until 2027 for which Albyn received grant funding.

The software will support tenants and carers through on-line access to the services they need. We continue to work with partners such as the NHS, Scottish Government and the Highland Council.

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Asset Management

We carry out a rolling programme of stock condition surveys to ensure that we hold accurate and up to date information on all of our housing stock to inform the targeting of our improvement and energy efficiency improvement budget.

During the year we incurred expenditure on improvements to our homes as follows:

Replacement Type	2025	2024
	£000's	£000's
Energy Efficiency Measures	735	608
Window and Door Replacements	349	144
Kitchen Replacements	187	804
Bathroom Replacements	590	439
Individual Property Upgrades and Other Costs	138	91
Total	1,999	2,086

Expenditure on improving our homes was similar in 2025 compared to 2024. In addition, Albyn has spent over £1million carrying out repairs to void properties as part of the introduction of a new void standard to ensure tenants moving into their homes have the best possible start to their tenancy.

During 2026 we will accelerate work to set out a long-term plan on meeting decarbonisation and energy efficiency improvements alongside the Governments communication on targets for the social housing sector. Our programme will continue into the planning period being informed by our Asset Management Strategy which was approved by the Board in 2023.

It is essential that all properties with gas central heating are serviced at not more than 12 monthly intervals, and we put in place procedures which ensured that we hit this target. Where access to carry out gas servicing is not possible, we have followed HSE advice and guidance in risk assessing each situation on a case-by-case basis. All properties where it was not possible to meet this obligation are evidenced by this process.

Category	Performance Measure	Target	2025	2024
Gas Servicing	Within 12 Mths of previous inspection	100%	100.0%	100.0%
	Within 13 Mths of previous inspection	100%	100.0%	100.0%

The development programme has continued in year although site starts and completions have been delayed in a number of instances due to delays in the planning process. In addition, we are seeing tendered costs in excess of benchmark which is leading to further assessment and requirements of larger Government grants. This process has resulted in some delay to project starts in the year.

Looking ahead, the Board have committed to a medium-term ambition to develop around 600 properties over the next 5 years to enable resources to be focused on stock improvement as well as new home development. We purchased 11 homes for rent during the year to 31 March 2025 (2024 – 96 built) and have a pipeline of new starts into 2025/26 of over 200 units.

We bought one (2024 – zero) Shared Ownership property for use in our MMR programme during the financial year.

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Developments completed in the year	Rented	MMR	Total
Invernes, Alness, Evanton and Poolewe MMR Purchases	0	4	4
Broadford, Isle of Skye MMR purchases	0	5	5
Kyleakin, Isle of Skye MMR purchases	0	2	2
Total	0	11	11

The table below details our expenditure on these completed projects and the way in which they were financed:

Development Funding	2025	2024
	£000's	£000's
Expenditure	1,912	18,993
Grant	930	10,924
Loan	982	8,069
Own resources	0	0

Finance & Corporate Services Teams

Albyn's Finance & Corporate Services Teams, which includes ICT, continued to support the Albyn Group throughout the year. The team supported the Board in reviewing the number of houses we would build and ensuring that the corporate and financial governance of the Society remained strong.

The team has continued to work with the operational teams in Albyn and HRL to provide up to date and streamlined processes and systems to help them provide good service to our customers on a day-to-day basis.

During the 24/25 year, our ICT strategy continues to be implemented focusing on the key findings of the review report. The output of this work will aim to deliver robust secure systems, enabling efficient and effective processes enhancing the customer experience of Albyn as a landlord.

Albyn Enterprises Limited

Albyn Enterprises Limited (AEL), is a wholly owned subsidiary consisting of the responsibility for the installation of photovoltaic (PV) systems on certain housing properties owned by Albyn Housing Society Limited.

The directors resolved to transfer the PV systems and novate the associated loan to Highland Residential (Inverness) Limited ("HRIL"), a fellow group subsidiary. The loan remains payable under its original terms. The transfer was completed on 31 March 2025 at book value with no consideration paid. The only remaining assets within Albyn Enterprises at the year end were an inter company balance and cash. These are expected to be cleared in the following financial year. Any residual cash balances at that point will be transferred to the shareholder.

Highland Residential (Inverness) Limited (HRIL)

HRIL has continued to develop its offering to the affordable homes market through expansion of MMR and development of the factoring service.

The Factoring Services team continued to deliver services to tenants of Albyn as well as the owners of homes in our developments. The portfolio of MMR homes grew, and our other sales and lettings activities performed well. Against this backdrop, the business continued its improved performance delivering a strong operating surplus for the year. 10

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The Company received a portfolio of PV systems, along with the associated loan, from its fellow Group company, AEL. They will continue to generate feed-in tariff income in the coming years, supporting the Group's long-term sustainability objectives. These systems were originally financed by a loan advanced from Albyn Housing Society to AEL on 1 December 2011. As part of the transfer, this loan was novated to HRIL and remains repayable under the original terms. All other assets of AEL, except for cash and an intercompany balance, was also transferred. The transfer completed on 31 March 2025 at book value with no consideration paid.

Other Matters

Credit Payment Policy

Albyn's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period is within thirty days.

Rental Income

Albyn's Rent Policy is based on the size, type and facilities available to each home. The policy ensures that the rent structure is easy to administer and covers the wide variations of properties that we own and manage. The rent charged is reviewed annually to ensure that the rents cover the required costs. The rent increase was consulted with tenants for the 2024/25 financial year. This policy follows the generally accepted practice / principles of the RSL Sector.

Sales of Housing Properties

We sold 1 home on the open market in 2025 (2024 – nil) and sold 2 (2024 - 1) Shared Ownership properties in the year.

Management Structure

The Board has overall responsibility for Albyn and there is a formal schedule of matters specifically reserved for decision by the Board.

Risk Management Policy

The Board has a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the six critical success factors for Albyn then analysing the types of risks Albyn faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Board has reviewed the adequacy of Albyn's current internal controls. The Board has set policies on internal controls which cover the following:

- consideration of the type of risks Albyn faces
- the level of risks which they regard as acceptable
- the likelihood of the risks concerned materialising
- the risk appetite
- Albyn's ability to reduce the incidence and impact on the business of risks that materialise
- management of the costs of operating particular controls relative to the benefit obtained.

In order to ensure that these policies are adhered to, management has:

- clarified the responsibility of management to implement the Board's policies and to identify and evaluate risks for the Board's consideration
- communicated that employees have responsibility for internal control as part of their accountability for achieving objectives
- embedded the control system in the operations so that it becomes part of the culture of Albyn
- developed systems to respond quickly to evolving risks arising from factors within the charity and to changes in the external environment
- included procedures for reporting failings immediately to appropriate levels of management and the Board together with details of corrective action being undertaken.

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Albyn holds a full strategic risk register but has identified the following key risks in the year and has in place appropriate mitigation measures:

Health & Safety

A failure to maintain and operate an effective Health & Safety management System leading to a breach of legal obligations and significant regulatory or statutory intervention.

Mitigation Measure

Health & Safety Management System including a consultative Health & Safety Committee.

Cyber Security

Breach of IT security leading to a significant loss of data, functionality and service.

Mitigation Measure

Network management security controls and testing.

IT Management

Failure of the capability or capacity of the IT management system leading to potential service failure and/or data loss

Mitigation Measure

Contractual Obligations of the provider and monitoring of service performance

Housing Development

Failure of the development programme to deliver the outcomes either on time or within budget leading to financial and/or reputational loss.

Mitigation Measure

Project management techniques and stakeholder partnership working.

Recruitment & Retention of Staff

Failure to recruit or retain suitably qualified and experienced staff leading to an erosion of the organisations ability to deliver for its customers.

Mitigation Measure

Recruitment policy and use of multiple recruitment techniques.

External Economic Conditions

Adverse changes in external economic conditions resulting in financial loss and a failure to deliver our objectives.

Mitigation Measure

Engagement with stakeholders and use of respected forecasting data.

Financial Viability

A failure in the financial management of the society leading to loss and breach of obligations to key stakeholders.

Mitigation Measure

Budgeting and financial management including sensitivity testing of financial models.

Asset Management

A failure of asset management resulting in statutory breach or failure to meet regulatory standards for the condition and quality of our housing stock.

Mitigation Measure

Asset management strategy and stock conditions surveys.

Data Protection

A failure in the governance, protection or integrity of data leading to serious breach.

Mitigation Measure

Data protection policy, professional advice and staff training.

Customer Experience

Poor customer service delivery leading to decline in customer satisfaction, and a failure to meet customer expectations.

Mitigation Measure

Regular KPI monitoring and customer satisfaction survey, procedural review.

Legal & Regulatory Compliance

Failure to meet our legal and regulatory obligations leading to intervention or failure of the society.

Mitigation Measure

Board approved policy, reporting of legal and regulatory compliance.

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Sustainability and Asset Management

Albyn has a Sustainability Strategy, with a focus on sustaining Albyn as a business whilst helping improve the quality of life for the residents in our communities. This Strategy is supported by an Asset Management Strategy which identifies initiatives for sustaining / improving the performance of our property assets. Our Asset Management Strategy was updated following the completion of the stock condition survey in 2023.

Albyn has a long-term programme of major repairs to cover work which has become necessary since the original development was completed, including works required for subsequent legislative changes such as SHQS, EESSH and carbon net zero. This includes replacement or repairs to parts of the properties which have come to the end of their useful economic lives. The costs of these repairs are charged to the Income and Expenditure Account, unless it is agreed they be capitalised within the terms outlined in the Statement of Recommended Practice for Registered Social Landlords.

Budgetary Process

Each year the Board approves the five-year budgets and rolling thirty-year strategic Business Plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Board of variances from the budget, updating forecasts for the year where necessary together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

Treasury Management

Albyn has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Board. In this way Albyn manages its borrowing arrangements to ensure that it is always in a position to meet financial obligations as they fall due, whilst minimising excess cash and liquid resources held. The Treasury Management Policy was reviewed by the Board on 23 January 2024 and will be reviewed again in a further three years' time.

The Audit and Risk Management Committee receives an annual report on the implementation of the Treasury Management Strategy as part of their assurance work.

Albyn, as a matter of policy, does not enter into transactions of a speculative nature. Albyn has a mix of fixed and variable rate finance, which it considers appropriate at this time.

Going Concern

Since the economy emerged from the recent pandemic, the period of high inflation followed by high interest rates and borrowing costs have eased. Whilst this is positive news, there remains many uncertainties and sensitivities in projecting the economic climate in which Albyn operates. The Board have considered a number of sensitivities within the organisation's financial plans and have a reasonable basis on which make judgements on the impact.

On 25 March 2025, the Board approved the annual budget and financial forecast for the forthcoming period. The key assumptions and targets have been set with reference to the management of business risk. The Board continues to employ sensitivity testing with a number of differing scenarios after which the Board has further considered the impact on the business as a going concern.

Based on the budgetary processes detailed above, the Board has a reasonable expectation that Albyn has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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Quality and Integrity of Staff

The integrity and competence of staff is ensured through high recruitment standards and subsequent training and development. High quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through the Chief Executive. Our staff also have the opportunity to take part in a range of training opportunities to develop their skills and knowledge.

Albyn is committed to involving staff in decision-making and drafting policy. Albyn enjoys strong relationship with its recognised trade union working collaboratively to establish new and revised policy to meet the interest of the business and its staff.

Employee Involvement and Health and Safety

Albyn encourages employee involvement in all major initiatives and maintaining Health & Safety standards in all areas. A Health and Safety Committee is in place which includes membership from across the society. The outcomes of the work of the Committee inform both the Board and Leadership Team's oversight of the health and safety system.

Disabled Employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with Albyn may continue. It is the policy of Albyn that training, career development and promotion opportunities should be available to all employees.

Future Prospects

Albyn will continue with its policy of improving the quality of housing and housing services within its area of activity working with its existing and new partners.

The Board have approved an ongoing commitment to develop additional houses to contribute to the government's overall targets for growth in affordable housing in Scotland. This commitment is reviewed each year as part of the Business Planning process. The medium-term commitment as set out in our Business Plan is to complete an additional 600 social housing units across the five-year business planning period subject to affordability and the support provided through Government grants.

ALBYN HOUSING SOCIETY LIMITED

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2025

Board

The Board of Albyn during the year to 31 March 2025 and up to 24 June 2025 was as follows:

Name	Office Bearing	Date Appointed	Attendance	Committee Membership
Ms L McInnes	Chair Person 01/22 – present	Board Member 09/22 – present	92%	
Ms C Warner	Vice Chair 09/23 - present	Board Member 09/20 – present	42%	Rem
Mr C Patching	Vice Chair 01/22 - 09/23	Board Member 09/20 – present	100%	Rem A&RM
Mr I Fosbrooke	Secretary 09/20–present	Board Member 09/16 – present	83%	Rem
Ms F Mustarde		Board Member 09/20 – present	67%	A&RM
Ms A Currie		Board Member 09/22 – 09/24	67%	
Mr S MacLeod		Board Member 09/23 - present	92%	A&RM
Mr C Russell		Board Member 09/23 - present	20%	
Mr C Levy		Board Member 09/23 - present	50%	
Ms J Bugden		Board Member 09/23 - present	100%	
Ms L Holburn		Board Member 09/23 - present	75%	A&RM
Mr N Owen		Board Member 09/23 - present	92%	A&RM

Committees

Audit & Risk Management Committee (“A&RM”)

Remuneration Committee (“Rem”)

Each member of the Board holds one fully paid share of £1.00 in Albyn. The executive officers of Albyn hold no interest in Albyn's share capital and although not having the legal status of “director” they act as executives within the authority delegated by the Board.

Board and Officers' Insurance

Albyn has purchased and maintains insurance to cover its Board and officers against liabilities in relation to their duties on behalf of Albyn, as authorised by the Society's rules.

ALBYN HOUSING SOCIETY LIMITED
REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2025

Executive Team

The Directors of Albyn at 31 March 2025 was as follows:

Ms Kirsty Morrison	Chief Executive
Ms Maureen Knight	Executive Director of Operations
Mr Andrew Martin	Executive Director of Group Services
Ms Laurie MacLeod	Head of Human Resources
Mr Robert Buchanan	Director if IT & Business Services

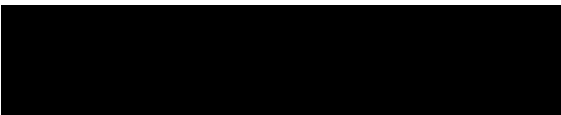
Disclosure of Information to the Auditor

The members of the Board at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditor

A resolution for the reappointment of RSM UK Audit LLP, as auditors of the Society, will be proposed at the Annual General meeting.

By order of the Board



Secretary
24 June 2025

ALBYN HOUSING SOCIETY LIMITED

**STATEMENT OF BOARD'S RESPONSIBILITIES UNDER THE COOPERATIVE AND COMMUNITY
BENEFIT SOCIETIES ACT 2014 FOR A REGISTERED PROVIDER OF SOCIAL
HOUSING/REGISTERED SOCIAL LANDLORD**

FOR THE YEAR ENDED 31 MARCH 2025

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the Group and of the surplus or deficit for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and 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 being disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is not appropriate to presume that the Society will continue in business.

The Board is responsible for instituting adequate systems of internal control and for:

- safeguarding assets
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the keeping of proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Society and of the Group and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Housing Associations Determination of Accounting Requirements 2019.

The Board is responsible for the maintenance and integrity of the financial information included on the Albyn Housing Society website (www.albynhousing.org.uk).

By order of the Board



Secretary
24 June 2025

ALBYN HOUSING SOCIETY LIMITED

BOARD'S STATEMENT OF INTERNAL FINANCIAL CONTROL

FOR THE YEAR ENDED 31 MARCH 2025

The Board acknowledges its ultimate responsibility for ensuring that the Society 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 Society, or for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposition.

It is the Board'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 or failure to meet objectives. Key elements of the Society's systems include ensuring that:

- 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 Society's assets;
- experienced and suitably qualified staff take responsibility for the important business functions and annual appraisal procedures that have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Management Team and Board to monitor the key business risks, financial objectives and progress being made towards achieving the financial plans set for the year and for the medium term;
- quarterly management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information, with significant variances from budget being investigated as appropriate;
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through the Board;
- the Audit & Risk Management Committee receives 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 Society is undertaken; and
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal and external audit reports.

The effectiveness of the Society's system of internal financial control has been reviewed by the Audit & Risk Management Committee for the year ended 31 March 2025. No weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in these financial statements or in the auditor's report on the financial statements.

By order of the Board



Secretary
24 June 2025

**REPORT BY THE AUDITOR TO THE MEMBERS OF
ALBYN HOUSING SOCIETY LIMITED
ON CORPORATE GOVERNANCE MATTERS
FOR THE YEAR ENDED 31 MARCH 2025**

In addition to our audit of the Financial Statements, we have reviewed your statement on page 18 concerning the Society's compliance with the information required by the Regulatory Standards for systemically important RSLs 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 2006/5 issued by the Financial Reporting Council through enquiry of certain members of the Board and Officers of the Society and examination of relevant documents. The Bulletin does not require us to review the effectiveness of the Society'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 page 18 has provided the disclosures required by the relevant Regulatory Standards for systemically important RSLs within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.



RSM UK AUDIT LLP
Statutory Auditor
Chartered Accountants
Third Floor
2 Semple St
Edinburgh
EH3 8BL

Date

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ALBYN HOUSING SOCIETY LIMITED
FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of Albyn Housing Society Limited (the 'Society') and its subsidiaries (the 'Group') for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income - Group, Statement of Comprehensive Income – Society, Statement of Changes in Capital and Reserves – Group, Statement of Changes in Capital and Reserves – Society, Statement of Financial Position – Group, Statement of Financial Position – Society, Statement of Cashflows – Group, Statement of Cashflows – Society and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Society's affairs as at 31 March 2025 and of the income and expenditure of the Group and the income and expenditure of the Society for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019.

Basis for opinion

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Co-operative and Community Benefit Societies Act 2014 and report in accordance with regulations made under those Acts.

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 Group and the parent Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ALBYN HOUSING SOCIETY LIMITED
FOR THE YEAR ENDED 31 MARCH 2025

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:

- proper books of account have not been kept by the association in accordance with section 75; or
- a satisfactory system of control over transactions has not been maintained by the association in accordance with section 75; or
- the income account and the balance sheet are not in agreement with the books of account of the association; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we consider necessary for the purposes of our audit.

Responsibilities of the Board

As explained more fully in the Statement of Board Responsibilities set out on page 17, the Board 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 Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Society'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 either intends to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the Group and the Society operates in and how the Group and the Society are complying with the legal and regulatory frameworks;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ALBYN HOUSING SOCIETY LIMITED

FOR THE YEAR ENDED 31 MARCH 2025

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Housing SORP 2018, the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019 and the Housing Acts. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are the Housing (Scotland) Acts 2006, 2010 and 2014, the Co-operative and Community Benefit Societies Act 2014, the Scottish Housing Regulator's Regulatory Framework (published 2019) and the Data Protection Act. We performed audit procedures to inquire of management and those charged with governance whether the Society are in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The Group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

Use of our report

This report is made solely to the Society's and Group's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society's and Group'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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.



RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Third Floor
2 Semple St
Edinburgh
EH3 8BL

.....2025

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

ALBYN HOUSING SOCIETY LIMITED
STATEMENT OF COMPREHENSIVE INCOME - GROUP
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £'000	2024 £'000
Turnover	2	24,992	23,626
Operating expenditure	2	(19,515)	(17,424)
Operating Surplus	7	<u>5,477</u>	<u>6,202</u>
Loss on disposal of fixed assets	6	(206)	(175)
Interest receivable	9	94	47
Interest and financing costs	10	(4,965)	(4,772)
Surplus before tax		<u>400</u>	<u>1,302</u>
Taxation	11	1	1
Surplus for the Year		<u><u>401</u></u>	<u><u>1,303</u></u>
<i>Other Comprehensive Income</i>			
Actuarial gain/(Loss) in respect of pension schemes	31	81	(683)
Total Comprehensive Income for the year	24	<u><u>482</u></u>	<u><u>620</u></u>

The accompanying notes form part of these financial statements.

ALBYN HOUSING SOCIETY LIMITED
STATEMENT OF COMPREHENSIVE INCOME - SOCIETY
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £'000	2024 £'000
Turnover	2	24,398	23,077
Operating expenditure	2	(19,043)	(16,988)
Operating Surplus	7	<u>5,355</u>	<u>6,089</u>
Loss on disposal of fixed assets	6	(205)	(175)
Interest receivable	9	209	172
Interest and financing costs	10	(4,965)	(4,772)
Surplus before tax		<u>394</u>	<u>1,314</u>
Taxation	11	-	-
Surplus for the Year		<u><u>394</u></u>	<u><u>1,314</u></u>
<i>Other Comprehensive Income</i>			
Actuarial gain/(loss) in respect of pension schemes	31	81	(683)
Total Comprehensive Income for the year	24	<u><u>475</u></u>	<u><u>631</u></u>

The accompanying notes form part of these financial statements.

ALBYN HOUSING SOCIETY LIMITED

STATEMENT OF CHANGES IN CAPITAL AND RESERVES - GROUP

FOR THE YEAR ENDED 31 MARCH 2025

	Share Capital £000	Revenue Reserve £000	Total Reserves £000
Balance at 01 April 2024	1	43,641	43,642
Total comprehensive Income for the year	-	482	482
Cancelled shares during the year	-	-	-
New shares issued during the year	-	-	-
Balance at 31 March 2025	1	44,123	44,124
Balance at 01 April 2023	1	43,021	43,022
Total comprehensive Income for the year	-	620	620
Cancelled shares during the year	-	-	-
New shares issued during the year	-	-	-
Balance at 31 March 2024	1	43,641	43,642

The notes form part of these financial statements

ALBYN HOUSING SOCIETY LIMITED
STATEMENT OF CHANGES IN CAPITAL AND RESERVES - SOCIETY
FOR THE YEAR ENDED 31 MARCH 2025

	Share Capital £000	Revenue Reserve £000	Total Reserves £000
Balance at 01 April 2024	1	43,395	43,396
Total comprehensive Income for the year	-	475	475
Cancelled shares during the year	-	-	-
New shares issued during the year	-	-	-
Balance at 31 March 2025	<u>1</u>	<u>43,870</u>	<u>43,871</u>
Balance at 01 April 2023	1	42,764	42,765
Total comprehensive Income for the year	-	631	631
Cancelled shares during the year	-	-	-
New shares issued during the year	-	-	-
Balance at 31 March 2024	<u>1</u>	<u>43,395</u>	<u>43,396</u>

The notes form part of these financial statements

ALBYN HOUSING SOCIETY LIMITED
STATEMENT OF FINANCIAL POSITION - GROUP
AT 31 MARCH 2025

	Notes	2025 £'000	2024 £'000
Fixed Assets			
Housing properties	13	311,640	308,213
Other tangible fixed assets	14	1,987	2,082
Investments	15	<u>1</u>	<u>1</u>
		313,628	310,296
Current Assets			
Stock and Work in Progress	16	796	641
Trade and other debtors	17	1,812	1,912
Cash and cash equivalents	25	<u>9,604</u>	<u>11,120</u>
		12,212	13,673
Current Liabilities			
Creditors due within one year	18	<u>(11,391)</u>	<u>(11,104)</u>
Net Current Assets		821	2,569
Total Assets Less Current Liabilities		<u>314,449</u>	<u>312,865</u>
Creditors: amounts falling due after more than one year	19	(268,951)	(267,837)
Provision For Liabilities	22	(174)	(165)
Provisions for Liabilities - Defined Benefit Pension Liability	31	(1,200)	(1,221)
Total Net Assets		<u>44,124</u>	<u>43,642</u>
Capital and Reserves			
Share capital	23	1	1
Income and Expenditure Reserve	24	44,123	43,641
		<u>44,124</u>	<u>43,642</u>

The financial statements on pages 23 to 48 were approved by the Board and authorised for issue on 24 June 2025 and are signed on its behalf by:

[Redacted Signature]

Lesley McInnes - Chair

[Redacted Signature]

Clea Warner - Vice Chair

[Redacted Signature]

Ian Fosbrooke - Secretary

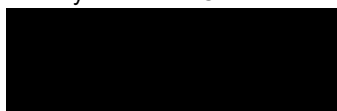
ALBYN HOUSING SOCIETY LIMITED
STATEMENT OF FINANCIAL POSITION - SOCIETY
AT 31 MARCH 2025

	Notes	2025 £'000	2024 £'000
Fixed Assets			
Housing properties	13	311,640	308,213
Other tangible fixed assets	14	1,924	2,013
Investments	15	<u>1</u>	<u>1</u>
		313,564	310,227
Current Assets			
Stock and Work in Progress	16	796	641
Trade and other debtors	17	1,964	1,964
Cash and cash equivalents	25	<u>9,018</u>	<u>10,639</u>
		11,778	13,244
Current Liabilities			
Creditors due within one year	18	<u>(11,160)</u>	<u>(10,865)</u>
Net Current Assets		618	2,379
Total Assets Less Current Liabilities		<u>314,183</u>	<u>312,606</u>
Creditors: amounts falling due after more than one year	19	(268,951)	(267,837)
Provisions for Liabilities	22	(161)	(152)
Provisions for Liabilities - Defined Benefit Pension Liability	31	(1,200)	(1,221)
Total Net Assets		<u>43,871</u>	<u>43,396</u>
Capital and Reserves			
Share capital	23	1	1
Income and Expenditure Reserve	24	43,870	43,395
		<u>43,871</u>	<u>43,396</u>

The financial statements on pages 23 to 48 were approved by the Board and authorised for issue on 24 June 2025 and are signed on its behalf by:



Lesley McInnes - Chair



Clea Warner - Vice Chair



Ian Fosbrooke - Secretary

ALBYN HOUSING SOCIETY LIMITED
STATEMENT OF CASHFLOWS - GROUP
FOR THE YEAR ENDED 31 MARCH 2025

	2025		2024	
	£'000	£'000	£'000	£'000
Surplus before Tax for the year		400		1,303
Adjustments for non-cash items:				
Depreciation of tangible fixed assets	6,391		6,206	
Amortisation of capital grants	(3,255)		(3,266)	
Increase in provisions	9		8	
Gain on disposal of tangible fixed assets	206		175	
Interest receivable	(94)		(47)	
Interest payable	4,965		4,772	
Taxation paid	-		-	
		<u>8,222</u>		<u>7,848</u>
Operating cash flows before movements in working capital		8,622		9,151
Decrease/(Increase) in properties held for sale	(154)		737	
Decrease/(increase) in trade and other debtors	(86)		(126)	
Increase/(decrease) in trade and other creditors	556		(732)	
		<u>315</u>		<u>(121)</u>
Cash generated from operations		8,937		9,030
Cash flow from investing activities				
Development of own property	(10,494)		(11,785)	
Purchase of other fixed assets	(163)		(126)	
Proceeds from sale of tangible fixed assets	35		(100)	
Grants received	6,193		5,296	
Interest received	94		47	
				<u>47</u>
Net cash used in investing activities		(4,335)		(6,668)
Cash flow from financing activities				
Interest paid	(4,905)		(4,746)	
Loans received	1,000		8,000	
Loans repaid	(2,213)		(3,127)	
Payments to pension past service deficit	-		-	
				<u>-</u>
Net cash from financing activities		(6,118)		127
Net Increase/(decrease) in cash and cash equivalents		<u>(1,516)</u>		<u>2,489</u>

Note 25 should be read in conjunction with this statement.

ALBYN HOUSING SOCIETY LIMITED
STATEMENT OF CASHFLOWS - SOCIETY
FOR THE YEAR ENDED 31 MARCH 2025

	2025		2024	
	£'000	£'000	£'000	£'000
Surplus for the year		394		1,314
Adjustments for non-cash items:				
Depreciation of tangible fixed assets	6,385		6,200	
Amortisation of capital grants	(3,255)		(3,266)	
Increase in provisions	9		9	
Gain on disposal of tangible fixed assets	206		175	
Interest receivable	(209)		(172)	
Interest payable	4,965		4,772	
		<u>8,100</u>		<u>7,719</u>
Operating cash flows before movements in working capital		8,494		9,032
Decrease/(increase) in properties held for sale	(154)		738	
Decrease/(increase) in trade and other debtors	(266)		(148)	
Decrease/(increase) in trade and other creditors	643		(586)	
		<u>223</u>		<u>4</u>
Cash generated from operations		8,717		9,036
Cash flow from investing activities				
Development of own property	(10,494)		(11,785)	
Purchase of other fixed assets	(103)		(123)	
Proceeds from sale of tangible fixed assets	(24)		(100)	
Grants received	6,193		5,296	
Interest received	97		50	
Gift Aid donation received	112		122	
		<u>(4,219)</u>		<u>(6,540)</u>
Net cash used in investing activities		(4,219)		(6,540)
Cash flow from financing activities				
Interest paid	(4,905)		(4,746)	
Loans received	1,000		8,000	
Loans repaid	(2,213)		(3,127)	
Payments to pension past service deficit	-		-	
		<u>(6,118)</u>		<u>126</u>
Net cash from financing activities		(6,118)		126
Net increase/(decrease) in cash and cash equivalents		<u>(1,620)</u>		<u>2,622</u>

Note 25 should be read in conjunction with this statement.

ALBYN HOUSING SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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1 Accounting Policies

The principal accounting policies of the Group and the Society are set out in the paragraphs below.

a. Legal Status

Albyn Housing Society Limited is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society, and the Scottish Housing Regulator as a Registered Social Landlord under the Housing (Scotland) Act 2010. Albyn Housing Society Limited adopted Charitable Rules on 18 March 1997 and its Charity Number is SC 027123.

The Society's address is listed on page 1. Its principal activities and the nature of its operations are detailed on page 2.

b. Basis of Accounting

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and the comply with the Determination of Accounting Requirements 2019, and under the historical cost convention.

Albyn Housing Society Limited is a public benefit entity (PBE). The financial statements are prepared in Sterling (£).

c. Basis of Consolidation

The consolidated financial statements consolidate the accounts of the Society and its commercial subsidiaries, Albyn Enterprises Limited ("AEL") and Highland Residential (Inverness) Limited ("HRL").

d. Critical Accounting Estimates and Areas of Judgement

Preparation of the financial statements requires management to make critical judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are included below:

i. Useful lives of properties

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on industry averages and our asset management strategy. Uncertainties in these estimates relate to the length of time certain components in our homes will last, with varying levels of use potentially lengthening or shortening the lives of these components.

ii. Recoverable amount of rent arrears and debtors

Management considers the reasonable likelihood of rent arrears and debtors being recoverable based on past experience. While every effort is made not to over-estimate the amounts which will be recovered by the Society in the future, the actual amounts which might be received are often outwith the Society's control.

iii. Defined benefit obligation

ALBYN HOUSING SOCIETY LIMITED

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Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 31). The net defined benefit pension liability at 31 March 2025 was £1,200k (2024 - £1,221k).

e. Going Concern

Each year the Board approves the five-year budgets and rolling thirty-year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Board of variances from the budget, updated forecasts for the year where necessary together with information on the key risk areas.

On 25 March 2025, the Board approved the annual budget and financial forecast for the forthcoming period. The key assumptions and targets have been set with reference to the management of business risk during the previous year in which greater uncertainty of the global economic impacts of rising inflation, energy costs and conflict. The Board continues to employ sensitivity testing with a number of differing scenarios after which the Board has further considered the impact on the business as a going concern.

On that basis the Board has a reasonable expectation that the Group and Society has adequate resources to continue in operational existence for the foreseeable future. As a result, we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

f. Turnover and Revenue Recognition

Turnover comprises rental and service charge income receivable in the period, income from shared ownership first tranche sales, sale of properties built for sale, other services provided at the invoice value (excluding VAT) and revenue grants receivable in the period.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the transaction.

Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met.

g. Government Grants

Government grants include grants receivable from the Scottish Government, local authorities and other government bodies. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received, such as relevant costs being incurred and paid for.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

On disposal of an asset for which a government grant was received, if there is no obligation to repay the grant, then any unamortised grant remaining is derecognised as a liability and recognised as income. Where there is a requirement to repay a grant, a liability is included in the Statement of Financial Position to recognise this obligation.

ALBYN HOUSING SOCIETY LIMITED

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h. Other Grants

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

i. Gift Aid Policy

Donations received under the gift aid scheme to the parent association, Albyn Housing, from its subsidiaries are recognised as turnover upon receipt as it relates to the principal activities of the association and is eliminated on consolidation.

j. Tangible Fixed Assets - Housing Properties

Housing properties are properties for the provision of social housing or to otherwise provide social benefit and are principally properties available for rent and shared ownership.

Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, and expenditure incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs; or
- A significant extension to the life of the property.

Shared ownership properties are split proportionally between fixed assets and current assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds are included in turnover.

The remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment. Where the first tranche has been sold prior to the acquisition of the properties, these are included in fixed assets only.

k. Depreciation of Housing Properties

Freehold land or assets under construction are not depreciated.

The Society separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight line basis over the following years which are estimated lives for accounting purposes:

Land	Nil
Assets under Construction	Nil
Structure	100 Years
Roof	70 Years
Windows and Doors	30 Years
Heating	15 Years
Kitchen	20 Years
Bathroom	30 Years
Other Mechanical and Engineering Works	30 Years

l. Impairments of Fixed Assets

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously

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recognised has fully or partially reversed. If such indications exist, the Society estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the income and expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

m. Low Cost Initiatives for First Time Buyers ("LIFT")

LIFT transactions are grants received from a grant making body and passed on to an eligible beneficiary. A grant making body has a benefit of a fixed charge on the property entitling the grant making body to a share of the proceeds on the sale of the property by the beneficiary. These are classified as investments and are carried at historical cost with the linked finance cost (the grant received) being deducted from the gross amount of the LIFT asset.

Completed properties for outright sale (mainly LIFT Properties) and work in progress are valued at the lower of cost and net realisable value. Cost comprises the cost of land, development and interest. Net realisable value is based on estimated sale price after allowing for all further costs of completion and disposal.

n. Sales of Housing Accommodation

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale, except for first tranche sales. Any grants received that cannot be repaid from the proceeds of sale are abated and the grant removed from the financial statements.

o. Shared Ownership

Proceeds from first tranche disposals of shared ownership properties are accounted for in the Income and Expenditure account of the period in which the disposal occurs, with any surpluses on disposal recognised in the Income and Expenditure account as turnover. The cost of disposal of first tranche disposals is included within cost of sales. The first tranche element of any unsold properties is shown as a current asset.

p. Other Tangible Fixed Assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Freehold buildings	Up to 75 years
Computer equipment	4 years
Fixtures, fittings and equipment	7 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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q. Leases and Hire Purchase Contracts

Rentals paid under operating leases are charged to income as incurred.

r. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition and construction of qualifying properties are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

All other borrowing costs are expensed as incurred.

s. Value Added Tax

The Society is VAT registered, however a large proportion of income, namely rents, is exempt for VAT purposes therefore giving rise to a Partial Exemption calculation. Expenditure is shown inclusive of VAT.

t. Deposits and Liquid Resources

Cash comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying value.

u. Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Employees are entitled to carry forward up to five days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Society is demonstrably committed to terminating the employment of an employee or to provide termination benefits.

v. Retirement Benefits

Defined contribution plans

For defined contribution schemes the amount charged to income and expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit plans

Scottish Housing Association Pension Scheme (SHAPS)

The Association recognises its share of scheme assets and scheme liabilities as a past service deficit liability based on the present value of the Association's deficit funding agreement.

As at the year ended 31 March 2025, the net defined benefit pension deficit liability was £1,200k (2024 – £1,221k), which has been included within the provisions for pensions liability in the financial statements.

In the year ended 31 March 2025, the current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period within the income and expenditure account. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income. Refer to Note 31 for more details.

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w. Provisions

Provisions are recognised when Albyn Housing Society Limited has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

x. Taxation

Albyn is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and meets the definition of a charitable company for UK corporation tax purposes. Accordingly, it is potentially exempt from taxation in respect of income or capital gains received within categories set out in chapter 3 part II of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent such income or gains are applied exclusively to charitable purposes.

The tax expense for subsidiary undertakings represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable. Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

y. Financial Instruments

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument and are offset only when the Association currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Receivables

Receivables which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Receivables are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade receivable constitutes a financing transaction, the receivable is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of receivables is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade receivable over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in

ALBYN HOUSING SOCIETY LIMITED

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Income and Expenditure.

Financial liabilities

Trade and other payables

Trade payables payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade payable constitutes a financing transaction, the payable is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled, or expires.

ALBYN HOUSING SOCIETY LIMITED
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2.1 Particulars of Turnover, Operating Costs and Operating Surplus - Group

	Notes	Turnover £'000	Operating costs £'000	2025 Operating surplus £'000	2024 Operating surplus £'000
Affordable Letting Activities	3	24,575	(18,768)	5,807	6,660
Other Activities	4	417	(747)	(330)	(458)
Total		24,992	(19,515)	5,477	6,202
2024		23,626	(17,424)	6,202	

2.2 Particulars of Turnover, Operating Costs and Operating Surplus - Society

	Notes	Turnover £'000	Operating costs £'000	2025 Operating surplus £'000	2024 Operating surplus £'000
Affordable Letting Activities	3	24,304	(18,518)	5,786	6,267
Other Activities	4	94	(525)	(431)	(178)
Total		24,398	(19,043)	5,355	6,089
2024		23,077	(16,988)	6,089	

3.1 Particulars of Turnover, Operating Costs and Operating Surplus from Affordable Letting Activities - Group

	General Needs Housing £'000	Shared Ownership Housing £'000	2025 £'000	2024 £'000
Rent Receivable Net of Service Charges	20,285	299	20,584	18,836
Service Charges	806	-	806	617
Gross Income from Rents and Service Charges	21,091	299	21,390	19,453
Less Voids	(146)	-	(146)	(149)
Net Income from Rents and Service Charges	20,945	299	21,244	19,304
Grants Released from Deferred Income	3,331	-	3,331	3,266
Total Turnover from Affordable Letting Activities	24,276	299	24,575	22,570
Management and Maintenance Administration Costs	7,027	49	7,076	5,869
Service Costs	708	-	708	706
Planned and Cyclical Maintenance including Major Repairs Costs	1,075	-	1,075	680
Reactive Maintenance Costs	3,609	-	3,609	2,635
Bad Debts - Rents and Service Charges	109	-	109	65
Depreciation of Affordable Let Properties	6,167	25	6,192	5,955
Operating Costs for Affordable Letting Activities	18,695	73	18,768	15,910
Operating Surplus for Affordable Lettings Activities	5,581	226	5,807	6,660
2024	6,567	93	6,660	

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3.2 Particulars of Turnover, Operating Costs and Operating Surplus from Affordable Letting Activities - Society

	General Needs Housing £'000	Shared Ownership Housing £'000	2025 £'000	2024 £'000
Rent Receivable Net of Service Charges	20,014	299	20,313	18,597
Service Charges	806	-	806	617
Gross Income from Rents and Service Charges	20,820	299	21,119	19,214
Less Voids	(146)	-	(146)	(149)
Net Income from Rents and Service Charges	20,674	299	20,973	19,065
Grants Released from Deferred Income	3,331	-	3,331	3,266
Total Turnover from Affordable Letting Activities	24,005	299	24,304	22,331
Management and Maintenance Administration Costs	6,634	49	6,683	5,859
Service Costs	850	-	850	870
Planned and Cyclical Maintenance including Major Repairs Costs	1,075	-	1,075	680
Reactive Maintenance Costs	3,609	-	3,609	2,635
Bad Debts - Rents and Service Charges	109	-	109	65
Depreciation of Affordable Let Properties	6,167	25	6,192	5,955
Operating Costs for Affordable Letting Activities	18,444	74	18,518	16,064
Operating Surplus for Affordable Lettings Activities	5,561	225	5,786	6,267
2024	6,174	93	6,267	

4.1 Particulars of Turnover, Operating Costs and Operating Surplus from Other Activities - Group

	Grants from Scottish Ministers £'000	Revenue Grants £'000	Other Income £'000	Total Turnover £'000	Operating Costs £'000	2025 Operating Surplus /(Loss) £'000	2024 Operating Surplus /(Loss) £'000
Factoring	-	-	215	215	(181)	34	76
Contracted out activities undertaken for registered social landlords	-	-	-	-	-	-	-
Contracted out activities undertaken for other organisations	-	-	-	-	-	-	-
Uncapitalised Development Administration Costs	-	-	-	-	(432)	(432)	(169)
NSSE Properties for Sale	-	-	-	-	-	-	-
Other Activities	-	-	202	202	(134)	68	(365)
Operating Deficit	-	-	417	417	(747)	(330)	(458)
2024	547	-	509	1,056	(1,514)	(458)	

The Determination includes additional information lines to those shown in notes 3 and 4 above.
The Board does not feel that any additional information is required with regards to these notes.

4.2 Particulars of Turnover, Operating Costs and Operating Surplus from Other Activities - Society

	Grants from Scottish Ministers £'000	Other Income £'000	Total Turnover £'000	Operating Costs £'000	2025 Operating Surplus /(Loss) £'000	2024 Operating Surplus /(Loss) £'000
Contracted out activities undertaken for registered social landlords	-	-	-	-	-	-
Contracted out activities undertaken for other organisations	-	-	-	-	-	-
Uncapitalised Development Administration Costs	-	-	-	(431)	(431)	(169)
Other Activities	-	94	94	(94)	0	(9)
NSSE Properties for Sale	-	-	-	-	-	-
Operating Deficit	-	94	94	(525)	(431)	(178)
2024	547	199	746	(924)	(178)	

The Determination includes additional information lines to those shown in notes 3 and 4 above.
The Board does not feel that any additional information is required with regards to these notes.

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5 Accommodation in Management - Group and Society

	Tenanted	Mid-Market Rent	Managed on behalf of others	Shared Ownership	2025 No	2024 No
The number of properties in management were as follows:						
1 April	3,491	239	14	108	3,852	3,757
Additions during the year	-	11	-	-	11	96
Conversion from Shared Ownership	-	1	-	(1)	-	-
Disposals	(1)	0	(2)	(2)	(5)	(1)
31 March 2025	<u>3,490</u>	<u>251</u>	<u>12</u>	<u>105</u>	<u>3,858</u>	<u>3,852</u>
2024	<u>3,491</u>	<u>239</u>	<u>14</u>	<u>108</u>	<u>3,852</u>	

6 a Surplus on Sale of Fixed Assets - Housing Properties

	Group		Society	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Sale proceeds	181	75	181	75
Carrying value of fixed assets	<u>(149)</u>	<u>(28)</u>	<u>(149)</u>	<u>(28)</u>
	32	47	32	47
Capital Grant repaid	-	-	-	-
	<u>32</u>	<u>47</u>	<u>32</u>	<u>47</u>
6 b Deficit on Replacement of Components	<u>(237)</u>	<u>(222)</u>	<u>(237)</u>	<u>(222)</u>
	<u>(205)</u>	<u>(175)</u>	<u>(205)</u>	<u>(175)</u>

7 Operating surplus

Operating surplus is stated after charging:				
Auditors' remuneration excluding taxation	43	37	32	31
Operating lease rentals [note 29]	47	47	50	47
Surplus on disposal of tangible fixed assets [note 6]	32	47	32	47
Depreciation of housing properties	6,193	5,955	6,192	5,955
Depreciation of other tangible fixed assets	<u>199</u>	<u>252</u>	<u>192</u>	<u>246</u>

RSM UK Audit LLP's associated company received £5,196 (2024 - £4,963) for professional services other than audit.

8 Key Management Personnel and Employees

	Group		Society	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
[a] Staff costs including Key Management Personnel's emoluments				
Salaries	3,806	3,347	3,522	3,128
Social security costs	408	360	385	338
Defined contribution pension cost	335	224	320	220
Other pension costs	-	-	-	-
	<u>4,549</u>	<u>3,931</u>	<u>4,227</u>	<u>3,686</u>
Temporary, seconded and agency staff costs	246	236	224	182
Development administration costs capitalised	<u>(147)</u>	<u>(386)</u>	<u>(147)</u>	<u>(386)</u>
	<u>4,648</u>	<u>3,781</u>	<u>4,304</u>	<u>3,482</u>
	No	No	No	No
Average monthly number of full time equivalent persons employed				
Asset Management and Investment	23	19	23	19
Customer Services	39	35	39	35
Factoring	3	2	-	-
Sales and Letting	3	3	-	-
Innovative Projects	-	-	-	-
Finance and Corporate Services	<u>23</u>	<u>22</u>	<u>22</u>	<u>21</u>
	<u>91</u>	<u>81</u>	<u>84</u>	<u>75</u>

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[b] Key Management Personnel

Under FRS102 Albyn Housing Society has defined "key management personnel" as the members of the senior management team whose posts are set out on page 16 of the Report and Financial Statements.

	Salary Bands		2025	2024
			Group and Society No	No
Number of Key Management Personnel earning:	£ 60,001	£ 70,000	-	1
	£ 70,001	£ 80,000	1	-
	£ 80,001	£ 90,000	1	-
	£ 90,001	£ 100,000	1	1
	£ 100,001	£ 110,000	1	1
	£ 120,001	£ 130,000	-	1
	£ 130,001	£ 140,000	1	-
			2025	2024
			£	£
Aggregate emoluments payable to key management personnel (excluding pension contributions but including benefits in kind)			<u>435,520</u>	<u>379,607</u>
Aggregate pension contributions in relation to the above key management personnel			<u>36,302</u>	<u>25,474</u>
Emoluments payable to the Chief Executive (excluding pension contributions)			<u>139,840</u>	<u>116,450</u>
Board members are not paid for there services. Expenses paid to Board Members totalled £3,335 (2024 - £4,790).				

9 Interest Receivable and Similar Income

	Group		Society	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Interest receivable from banks	94	47	97	50
Gift Aid Donation from Subsidiary	-	-	112	122
	<u>94</u>	<u>47</u>	<u>209</u>	<u>172</u>

10 Interest and Financing Costs

Bank and Building Society loans and overdrafts	4,905	4,836	4,905	4,836
Defined Benefit pension charge	60	25	60	25
	<u>4,965</u>	<u>4,861</u>	<u>4,965</u>	<u>4,861</u>
Less: Interest Capitalised on housing properties constructed	-	(89)	-	(89)
	<u>4,965</u>	<u>4,772</u>	<u>4,965</u>	<u>4,772</u>

11 Taxation

Current Tax:				
UK corporation tax on profits of current year	-	-	-	-
Deferred Tax:				
Origination and reversal of timing differences	1	1	-	-
	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
Reconciliation of Current Tax charge:				
Profit on ordinary activities before taxation	119	110		
Profits exempt due to charitable exemption	(112)	(112)		
	<u>7</u>	<u>(2)</u>		
Effects of depreciation in excess of capital allowances	(18)	3		
Tax adjustments and other timing differences	11	(1)		
Profits subject to Corporation Tax	<u>-</u>	<u>-</u>		
Tax charge at 19% / 20%	<u>-</u>	<u>-</u>		

Albyn Housing Society Limited was recognised as a Charity on 18 March 1997. Albyn Housing Society Limited does not undertake any activities outwith those associated with its charitable activities. Albyn Housing Society Limited has no liability to Corporation Tax.

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12 Intangible Fixed Assets - Group

**Website &
Branding
£'000**

Cost

1 April 2024	21
Additions	-
Disposals	-
31 March 2025	<u>21</u>

Amortisation

1 April 2024	21
Charge	-
Disposals	-
31 March 2025	<u>21</u>

Net Book Value

31 March 2025	<u>-</u>
31 March 2024	<u>-</u>

13 Tangible Fixed Assets - Housing Properties - Group and Society

	Rented Occupation £'000	Shared Ownership £'000	Under Construction £'000	Total £'000
Cost				
1 April 2024	367,516	3,718	6,757	377,991
Additions	-	2	10,126	10,128
Transfers	77	(39)	(38)	-
Properties acquired	1,912	-	(1,912)	-
Works to existing properties	1,999	-	(1,999)	-
Disposals	(1,271)	(94)	-	(1,365)
31 March 2025	<u>370,233</u>	<u>3,587</u>	<u>12,934</u>	<u>386,754</u>

Depreciation

1 April 2024	68,814	961	-	69,775
Depreciation charged in year	6,167	26	-	6,193
Released on disposal	(851)	(2)	-	(853)
31 March 2025	<u>74,130</u>	<u>985</u>	<u>-</u>	<u>75,114</u>

Net Book Value

31 March 2025	<u>296,103</u>	<u>2,602</u>	<u>12,934</u>	<u>311,640</u>
31 March 2024	<u>298,702</u>	<u>2,757</u>	<u>6,754</u>	<u>308,213</u>

Expenditure on works to existing properties

	2025 £'000	2024 £'000
Improvement work capitalised	-	-
Replacement component spend capitalised	1,999	2,347
Amounts charged to income and expenditure	106	173
Total major repairs spend	<u>2,105</u>	<u>2,520</u>

Finance costs

Aggregate amount of finance costs included in the cost of housing properties	<u>2,182</u>	<u>2,182</u>
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The cost of land included in the costs above totals £48,348,487 (2024: £48,183,487)

Albyn Housing Society Limited considers individual schemes to be separate cash generating units when assessing for impairment, in accordance with Statement of Recommended Practice 2018.

ALBYN HOUSING SOCIETY LIMITED
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14.1 Tangible Fixed Assets - Other Fixed Assets - Group

	Offices £'000	Equipment £'000	Total £'000
Cost			
1 April 2024	2,437	2,061	4,498
Additions	1	103	104
Disposals	-	-	-
31 March 2025	<u>2,438</u>	<u>2,164</u>	<u>4,602</u>
Depreciation			
1 April 2024	714	1,703	2,417
Charge	39	160	199
Disposals	-	-	-
31 March 2025	<u>753</u>	<u>1,862</u>	<u>2,616</u>
Net Book Value			
31 March 2025	<u>1,684</u>	<u>302</u>	<u>1,986</u>
31 March 2024	<u>1,723</u>	<u>358</u>	<u>2,081</u>

14.2 Tangible Fixed Assets - Other Fixed Assets - Society

	Offices £'000	Equipment £'000	Total £'000
Cost			
1 April 2024	2,437	1,887	4,324
Additions	-	103	103
Disposals	-	-	-
31 March 2025	<u>2,437</u>	<u>1,990</u>	<u>4,427</u>
Depreciation			
1 April 2024	716	1,594	2,310
Charge	39	154	193
Disposals	-	-	-
31 March 2025	<u>755</u>	<u>1,748</u>	<u>2,503</u>
Net Book Value			
31 March 2025	<u>1,682</u>	<u>242</u>	<u>1,924</u>
31 March 2024	<u>1,721</u>	<u>292</u>	<u>2,013</u>

15 Fixed Assets Investments

Other Investments - Group and Society

Apple Juice (Applecross) Ltd 1,000 shares in Community Benefit Society Community Hydro Scheme

Subsidiary Undertakings - Society

Albyn Housing Society Limited's subsidiary undertakings are:

<i>Name of undertaking</i>	<i>Class of shareholding</i>	<i>Proportion of nominal value held directly</i>	<i>Nature of business</i>
Albyn Enterprises Ltd	Ordinary	100% (2024: 100%)	Property related activities
Highland Residential (Inverness) Ltd	Ordinary	100% (2024: 100%)	Renting/operating of housing real estate
Sunnd Ltd	Ordinary	100% (2024: 100%)	Dormant

16 Stock and Work in Progress

	Group		Society	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Properties for Sale	796	641	796	641
	<u>796</u>	<u>641</u>	<u>796</u>	<u>641</u>

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17 Debtors

	Group		Society	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Rent and service charges receivable	877	1,349	523	1,040
Less: provision for bad and doubtful debts	(102)	(648)	(28)	(554)
	<u>775</u>	<u>701</u>	<u>495</u>	<u>486</u>
HAG receivable	167	433	167	433
Other debtors	378	375	312	337
Prepayments and accrued income	492	404	490	404
Amounts due from Group undertakings	-	-	426	225
	<u>1,812</u>	<u>1,912</u>	<u>1,890</u>	<u>1,885</u>
Amounts falling due after more than one year				
Amounts due from Group undertakings	-	-	74	79
	<u>1,812</u>	<u>1,912</u>	<u>1,964</u>	<u>1,964</u>

18 Creditors: amounts falling due within one year

Debt [note 20]	2,843	2,766	2,843	2,766
Rent and service charges received in advance	1,183	1,009	1,183	1,009
Deferred capital grants [note 21]	3,121	3,121	3,121	3,121
Trade creditors	1,708	1,099	1,656	1,038
Corporation tax [note 11]	-	-	-	-
Other taxation and social security costs	118	91	112	86
Other creditors	1,695	2,137	1,548	2,001
Accruals and deferred income	723	881	697	844
Amounts due to Group undertakings	-	-	-	-
	<u>11,391</u>	<u>11,104</u>	<u>11,160</u>	<u>10,865</u>

Included in creditors is an amount of £1,229,556 (2023 - £1,292,669) relating to payments due to the Scottish Government. £0 (2024 - £0) relates to capital and £1,229,556 (2024 - £1,292,669) to revenue activities.

19 Creditors: amounts falling due after more than one year

Debt [note 20]	94,967	96,258	94,967	96,258
Deferred capital grants [note 21]	<u>173,984</u>	<u>171,579</u>	<u>173,984</u>	<u>171,579</u>
	<u>268,951</u>	<u>267,837</u>	<u>268,951</u>	<u>267,837</u>
Included in creditors are:				
Amounts repayable other than by instalments falling due after more than five years	191,498	189,093	191,498	189,093
Amounts repayable by instalments falling due after more than five years	<u>55,171</u>	<u>56,325</u>	<u>55,171</u>	<u>56,325</u>
	<u>246,669</u>	<u>245,418</u>	<u>246,669</u>	<u>245,418</u>

20 Debt Analysis - Borrowings

	Group		Society	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Creditors: amounts falling due within one year				
Bank Loans	<u>2,843</u>	<u>2,766</u>	<u>2,843</u>	<u>2,766</u>
Creditors: amounts falling due after more than one year				
Bank Loans	<u>94,967</u>	<u>96,258</u>	<u>94,967</u>	<u>96,258</u>

The loans are secured by specific charges on Albyn Housing Society Limited's properties and the capital instalments are repayable over periods as indicated at varying rates of interest ranging from 0% to 5.82% (2024 - 0% to 5.82%).

Based on the lender's earliest repayment date, borrowings are repayable as follows:

In the next year	2,843	2,766	2,843	2,766
In the second year	2,925	2,844	2,925	2,844
In the third to fifth year	9,321	9,049	9,321	9,049
In more than five years	<u>82,721</u>	<u>84,365</u>	<u>82,721</u>	<u>84,365</u>
	<u>97,810</u>	<u>99,024</u>	<u>97,810</u>	<u>99,024</u>

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21 Deferred Capital Grant

	Group		Society	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
1 April 2024	174,700	173,507	174,700	173,507
Grants received in the year	5,761	4,643	5,761	4,643
Grants reduced in the year	(101)	(184)	(101)	(184)
Grant released in the year	(3,255)	(3,266)	(3,255)	(3,266)
31 March 2025	<u>177,105</u>	<u>174,700</u>	<u>177,105</u>	<u>174,700</u>
Amounts to be released within one year	3,121	3,121	3,121	3,121
Amounts to be released in more than one year	<u>173,984</u>	<u>171,579</u>	<u>173,984</u>	<u>171,579</u>
	<u>177,105</u>	<u>174,700</u>	<u>177,105</u>	<u>174,700</u>

Capital Grants received to 31 March 2025 total £228,041,441 (2024 - £222,280,671);
if the Society were to sell its assets this amount would be repayable from the proceeds.

22 Provisions for liabilities and charges

Biomass Infrastructure Replacement Fund	161	152	161	152
Deferred Tax	13	14	-	-
	<u>174</u>	<u>166</u>	<u>161</u>	<u>152</u>
1 April 2024	166	156	152	142
Added in the year	8	10	9	10
Deferred tax charge in statement of comprehensive income	-	-	-	-
31 March 2025	<u>174</u>	<u>166</u>	<u>161</u>	<u>152</u>

23 Share Capital

	Group		Society	
	2025	2024	2025	2024
	No	No	No	No
Allocated, allotted, called up and fully paid Ordinary shares of £1 each				
1 April 2024	49	52	49	52
Joined during the year	-	6	-	6
Left during the year	(6)	(9)	(6)	(9)
31 March 2025	<u>43</u>	<u>49</u>	<u>43</u>	<u>49</u>

Each member of Albyn Housing Society Limited holds one share of £1 in Albyn Housing Society Limited. 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 Albyn Housing Society Limited. Each member has a right to vote at a members' meeting.

24 Reserves

	Group		Society	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
1 April 2024	43,640	43,021	43,395	42,764
Surplus for the year	482	619	475	631
31 March 2025	<u>44,122</u>	<u>43,640</u>	<u>43,870</u>	<u>43,395</u>

25.1 Cash and Cash Equivalents - Group

Analysis of the balance of Cash as shown in the balance sheet.	2025	Change	2024
	£'000	£'000	£'000
Bank and Cash in hand	9,604	(1,516)	11,120
	<u>9,604</u>	<u>(1,516)</u>	<u>11,120</u>

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25.2 Cash and Cash Equivalents - Society

	2025 £'000	Change £'000	2024 £'000
Analysis of the balance of Cash as shown in the balance sheet.			
Bank and Cash in hand	9,018	(1,621)	10,639
	<u>9,018</u>	<u>(1,621)</u>	<u>10,639</u>

26 Treasury Management

Albyn Housing Society Limited has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Board. In this way Albyn Housing Society Limited manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held. At 31 March 2025 Albyn Housing Society Limited has a revolving credit loan facility in place which is fully drawn down.

Albyn Housing Society Limited, as a matter of policy, does not enter into transactions of a speculative nature. At 31 March 2025 Albyn Housing Society Limited has a mix of fixed and variable rate finance, which it considers appropriate at this time.

27 Related Party Transactions

Members of the Board are related parties of the Society as defined by FRS102. The related party relationships of the members of the Board are summarised as:

Mr I Fosbrooke, Ms J Bugden, and Mr S Macleod are members of the Board of Albyn Housing Society Limited and a tenant of Albyn. The rent which tenant Board members pay for their home and any balances on their tenancy accounts are managed at arms' length in accordance with the Society's policies and procedures in force from time to time.

Albyn Housing Society is in receipt of a non Interest bearing loan provided by The Highland Council to support the acquisition of development land for social housing. An amount of £490,000 (2024 - £490,000) was outstanding at the balances sheet date and is disclosed under Creditors: amounts falling due within one year.

28 Capital Commitments

	Group 2025 £'000	2024 £'000	Society 2025 £'000	2024 £'000
Capital expenditure contracted for but not provided in the financial statements	6,735	14,096	6,735	14,096

All developments in progress have been approved by Scottish Government for payment of HAG. Albyn Housing Society Limited expects that the Scottish Government will finance most of the expenditure by HAG with the remaining expenditure financed by loans from lenders.

29 Obligations under Operating Leases

The total future minimum lease payments under non-cancellable operating leases for fixed assets are as follows:

		Group 2025 £'000	2024 £'000	Society 2025 £'000	2024 £'000
Land and Buildings	Expiring				
	In the next year	48	38	48	38
	In the second year	41	38	41	38
	In the third to fifth year	70	75	70	75
	In more than five years	270	241	270	241
		<u>429</u>	<u>392</u>	<u>429</u>	<u>392</u>

30 Contingent Liabilities

The Association has been notified by the Trustee of the Scheme that it has performed a review comparing the benefits provided to scheme members over recent years with the requirements of the Scheme documentation. Due to uncertainty as to the effect of some benefit changes, the Trustee has been advised by lawyers to seek clarification from the Court on potential changes to the pension liability. It is recognised that this could potentially impact the value of Scheme liabilities, but until the outcome of the ongoing Court process is known (which is currently expected to be late 2025), it is not possible to calculate the impact on the liabilities of this issue with any accuracy, particularly on an individual employer basis, for the purposes of the 31 March 2025 financial statements. Accordingly, no adjustment has been made in these financial statements in respect of this potential issue.

31 Retirement Benefits

Scottish Housing Association Pension Scheme (SHAPS)

The company participates in the Scottish Housing Associations' 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 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 2024. This valuation revealed a deficit of £79.5m. Deficit contributions will be reintroduced from April 2026 following a pause introduced in September 2022. The next triennial valuation will take place in 2027.

The Board are aware that the Court of Appeal has upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained.

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On the 5 June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written confirmation that historical benefit changes met the necessary standards. However, details of the legislation have not been announced. Subject to the entity being able to comply with the legislation and the pension scheme obtaining the required written actuarial confirmation, the Board do not expect the valuation of the scheme liabilities to change.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the company 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.

Under the defined benefit pension accounting approach, the SHAPS net deficit is £1,200k as at 31 March 2025.

Present Values Of Defined Benefit Obligation, Fair Value Of Assets And Defined Benefit Asset (Liability)

	2025	2024
	£'000	£'000
Fair value of plan assets	8,513	9,276
Present value of defined benefit obligation	9,713	10,497
(Deficit) in plan	(1,200)	(1,221)

Reconciliation Of Opening And Closing Balances Of The Defined Benefit Obligation

	2025	2024
	£'000	£'000
Defined benefit obligation at start of period	10,497	10,386
Current service cost	-	-
Expenses	15	15
Interest expense	503	498
Contributions by plan participants	-	-
Actuarial (gains)/losses due to scheme experience	192	70
Actuarial (gains)/losses due to changes in demographic assumptions	-	(65)
Actuarial (gains)/losses due to changes in financial assumptions	(1,064)	1
Benefits paid and expenses	(430)	(408)
Defined benefit obligation at end of period	9,713	10,497

Reconciliation Of Opening And Closing Balances Of The Fair Value Of Plan Assets

	2025	2024
	£'000	£'000
Fair value of plan assets at start of period	9,276	9,873
Interest income	443	473
Experience on plan assets (excluding amounts included in interest income)	(791)	(677)
Contributions by the employer	15	15
Benefits paid and expenses	(430)	(408)
Fair value of plan assets at end of period	8,513	9,276

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 was £348,000 (2024: £204,000).

Defined Benefit Costs Recognised In Statement Of Comprehensive Income (SoCI)

	2025	2024
	£'000	£'000
Expenses	15	15
Net interest expense	60	25
Defined benefit costs recognised in statement of comprehensive income (SoCI)	75	40

Defined Benefit Costs Recognised In Other Comprehensive Income

	2025	2024
	£'000	£'000
Experience on plan assets (excl amounts included in net interest cost) - (loss)	(791)	(677)
Experience gains and losses arising on the plan liabilities - (loss)	(192)	(70)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	-	65
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain/(loss)	1,064	(1)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/(loss)	81	(683)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total amount recognised in other comprehensive income - (loss)/gain	81	(683)

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Assets	2025	2024
	£'000	£'000
Absolute Return	-	417
Alternative Risk Premia	-	334
Cash	45	240
Credit	362	-
Credit Relative Value	-	327
Currency Hedging	14	(4)
Distressed Opportunities	-	341
Emerging Markets Debt	-	163
Global Equity	986	1,067
High Yield	-	2
Infrastructure	2	888
Insurance-Linked Securities	32	58
Investment Grade Credit	389	-
Liability Driven Investment	2,397	3,355
Liquid Alternatives	1,568	-
Long Lease Property	3	69
Net Current Assets	11	11
Opportunistic Illiquid Credit	-	369
Private Equity	7	7
Private Debt	-	373
Private Credit	1,062	-
Property	422	392
Real Assets	1,016	-
Risk Sharing	-	557
Secured Income	197	310
Total assets	8,513	9,276

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key Assumptions	2025	2024
	£'000	£'000
Discount Rate	5.77%	4.89%
Inflation (RPI)	3.11%	3.17%
Inflation (CPI)	2.78%	2.77%
Salary Growth	3.78%	3.77%
	75% of	75% of
	maximum	maximum
Allowance for commutation of pension for cash at retirement	allowance	allowance

The mortality assumptions adopted at 31 March imply the following life expectancies:

	2025	2024
	Life	Life
	expectancy	expectancy at
	at age 65	age 65 (Years)
Male retiring now	20.2	20.2
Female retiring now	22.7	22.7
Male retiring in 20 years	21.5	21.4
Female retiring in 20 years	24.2	24.1